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HOME OFFICES BALTIMORE

F. & G. FIRE

THURSDAY, DECEMBER 17, 1936



AMERICAN
COLUMBIA
DIXIE
BANKERS

Greetings
from
The American Group
Newark

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True a century ago- true today:-

There is hardly anything in the world
that some man cannot make a little
worse and sell a little cheaper and
the people who consider price only
are this man's lawful prey.

John Ruskin

THE HOME INSURANCE COMPANY NEW YORK

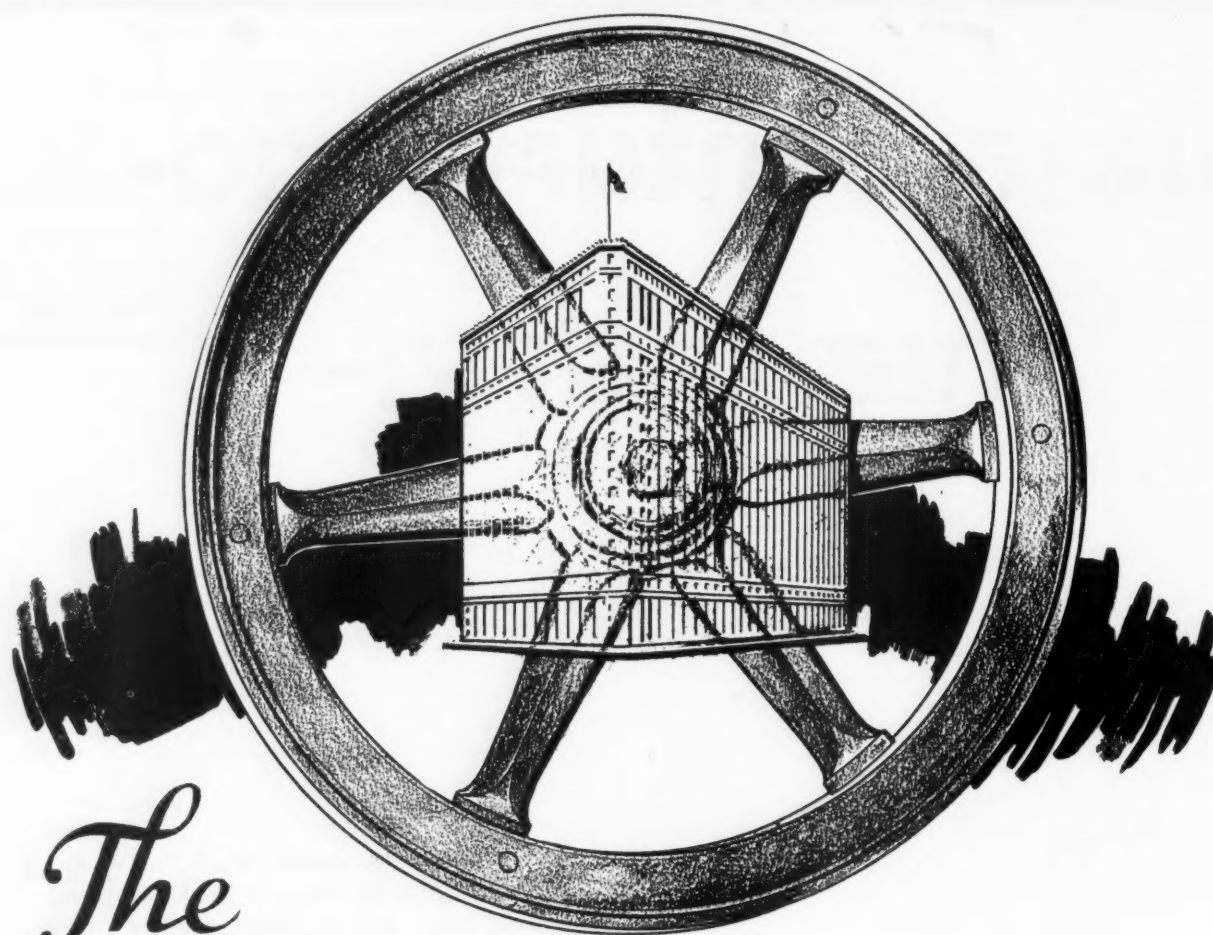
Strength

« »

Reputation

« »

Service



The **HUB** *of Insurance Activity*

What the hub is to the wheel, so is the Insurance Exchange Building to the insurance business in Chicago. It is the center of all that is going on in the Chicago insurance world. It houses the offices that write ninety percent of the fire and casualty premiums produced in Chicago. It is the recognized headquarters for agents, brokers and company officials. This set-up is unmatched in any other city in the country which makes it only natural for company officials, branch office managers and leading agencies to feel that it is only logical and natural for them to be located in the Insurance Exchange Building.

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Teachers Gather in Annual Session

Insurance Educational Problems,
Current Questions in Business
to Be Discussed

PALMER TO BE SPEAKER

Program for Annual Meeting in Chi-
cago Dec. 28 Is Announced
by University Men

The American Association of University Teachers of Insurance will hold its annual meeting in Chicago Dec. 28. The morning session will be devoted to problems of insurance education; the afternoon session to discussion of current insurance problems.

Superintendent Palmer of Illinois will speak at the luncheon on "The Functions of a State Insurance Department." At the afternoon session Prof. George W. Goble of the college of law, University of Illinois, will present a paper on "The Proposed Revision of the Standard Fire Insurance Policy" and Judge E. W. Sawyer, assistant general counsel of the Liberty Mutual, will speak on "Liability at Law and Insurance Against It." The first paper will be discussed by Ambrose B. Kelly of the American Mutual Alliance and Edwin W. Patterson, professor of law at Columbia University, and the second by A. I. Wolff, Chicago, ex-president National Association of Insurance Agents; George H. Moloney, vice-president Hartford Accident, Chicago, and W. A. Sullivan, insurance department manager of the Loose-Wiles Biscuit Company, Chicago.

Invite Insurance Men

Insurance men are invited to attend the meetings and the luncheon and to take part in the discussion. Prof. S. H. Nerlove, school of business, University of Chicago, is handling the registrations. Tickets to the luncheon are \$1.25 each.

The program for the morning session follows:

Report of the committee on standards and topics for courses in insurance: H. J. Loman, chairman, professor of insurance, Wharton School of Finance & Commerce; E. L. Bowers, associate professor of economics, Ohio State University; J. E. Partington, assistant professor of commerce, State University of Iowa.

Discussion: Alfred Manes, professor of insurance, Indiana University; S. H. Nerlove, associate professor of business economics, University of Chicago; J. B. Winslow, professor of insurance, University of Toledo.

Report of the committee on insurance bibliography: C. L. Parry, chairman, Metropolitan Life; G. L. Amrhein, Wharton School of Finance & Commerce; E. D. Spangler, assistant professor of economics, University of Nebraska.

Informal discussion.

Gentry Submits New Bill on Unauthorized Insurance

SEEKS ACTION NEXT JUNE

Arkansas Commissioner Sends to Members of Committee Copies of Revised Statute That Is Proposed

At the St. Paul meeting of the National Association of Insurance Commissioners the insurance committee of the American Bar Association presented a proposed bill to the unauthorized insurance committee for their approval and recommendation to the several states for adoption, looking toward the curbing of unauthorized insurance underwriting. Later on, after further consideration given to the bill, it was determined that the act might be declared unconstitutional and they revised the proposed act which was to be submitted to the unauthorized insurance committee at the Hot Springs meeting.

Commissioner Gentry of Arkansas, chairman of the committee, reported to the association that he would send a draft of the bill to each of the members of the committee for their study, and to any other interested parties, with a view of the matter being presented to the committee at its next meeting in June.

Text of Bill

The bill reads as follows: "No insurance agent or insurance broker, authorized to transact business in this state, shall make, write or place or cause to be made, written or placed, or solicit, or in any manner advise or assist in negotiating or effecting any policy, duplicate policy, or contract of insurance of any kind or character, upon persons or property in any state, territory or district of the United States, in any insurance company or other insurer, not authorized to transact business in each and every such state, territory or district, wherein the property or risk, or any of it, is located.

"The provisions of this act shall not apply to contracts of reinsurance, nor to contracts of insurance covering risks of transportation and navigation.

"If the insurance commissioner finds, after notice and hearing, that any agent or broker has violated the provisions hereof, he shall immediately revoke the license or other authority of such agent or broker to engage in business in this state, either directly or indirectly, and shall not renew or relicense such agent or broker for a period of three years from the date of such revocation."

Durgin Commissioner in Maine

Edward S. Durgin, a fire and casualty agent of Lewiston, Me., has been appointed commissioner in his state by Governor Brann, but it appears that this is a more or less honorary appointment. It is not believed that the governor's council will confirm Mr. Durgin's appointment and that shortly after Jan. 1, Governor-elect Barrows will make another appointment. Mr. Durgin graduated from Dartmouth College in 1907 and has been engaged continuously in the insurance business at Lewiston since then. W. D. Spencer has been the commissioner in Maine.

Rating, Inspection Bureaus Source for New Field Men

NO SHORTAGE OF ENGINEERS

Supply of Special Agents Is Exhausted
—Turn to Old Source for Recruits

As evidence of the way fire insurance companies are rebuilding their field forces, hardly a week goes by without an announcement of some one leaving a rating or inspection bureau to become a field man. Traditionally, this is the way many field men got their original training, but during the past few years the companies hired few or no field men and the rating men hung on to their jobs. As conditions improved field men with good records, but out of employment through economy measures or retirement of companies, were the first to be acquired. This supply having been exhausted, the companies in the middle west are now turning to the rating bureaus for freshman field men.

Supply Still Plentiful

At present the bureaus are not worried about a shortage of engineers or inspectors, although the managers admit that the situation could become troublesome if the recruiting should continue. For several years, many of the bureaus have been overstaffed. It was difficult to place fire prevention engineering graduates, but the bureaus did not want to let men go after they had finished their expensive training. Men who are awarded scholarships in the fire prevention engineering course at Armour Institute agree to serve three years with a rating bureau after graduation, in addition to working during the summer while in school. Although the number of scholarships was reduced during the depression, there are now 18 scholars at Armour, who may be expected eventually.

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Fire Losses Up 12% Over October, 9% Over Year Ago

Fire losses of the country during November totaled \$22,808,497, an increase of 12 percent over October and 9 percent over November, 1935, the National Board reports. The addition of the November figures makes the total for the first 11 months of 1936, \$263,223,617, compared with \$231,190,657 for the same period last year, or an increase of \$32,032,960 or 14 percent. As was true in October the aggregate fire loss of last month was due to a considerable number of moderately sized fires, there being none of conflagration proportion. Comparative figures by months follow:

	1934	1935	1936
Jan.	\$28,002,583	\$23,430,504	\$27,729,930
Feb.	31,443,484	25,081,625	30,909,896
March	31,312,359	24,942,703	29,177,406
April	22,028,943	23,267,929	25,786,835
May	25,271,459	21,238,205	21,479,380
June	20,005,692	18,499,675	20,407,485
July	19,484,027	19,293,619	22,357,020
Aug.	19,613,145	18,137,060	21,714,495
Sept.	16,243,870	16,641,882	20,413,537
Oct.	18,236,272	19,785,871	20,439,136
Nov.	20,114,346	20,871,584	22,808,497
Total	\$251,756,180	\$231,190,657	\$263,223,617

Annual Statement More Complicated

Schedule T in Blank Presents
Many Difficulties for
Companies

TAX ISSUE OUTGROWTH

Must Show Breakdown of Gross, Return and Reinsurance Premiums for Every State

Insurance companies have a new headache in schedule T of the annual statement blank. This schedule breaks down the gross premiums, return premiums and reinsurance premiums for every state in the union. Last year this breakdown was required by three of the states, but this year it is required by all.

The requirement seems to have grown out of the watchfulness of the states for premium taxes that may be due. With the growth of floater policies and of general cover policies, which are issued in one state but may cover anywhere in the union, there has been a fear among certain departments that they are not getting, or might not be getting, all the taxes which could be levied.

May Make Accountants Dizzy

The gross premiums of course are relatively simple. Establishing the net for each state, however, may make the ablest accountant dizzy. It may be that some companies have been cutting the corners, but rather to save the labor of calculation than to avoid taxes.

The difficulties may be seen in actual cases. A company may write a general cover contract, with locations in, say, 25 states. Its reinsurance may be in one company that is admitted in only 24 states, in a second company that is admitted in 23 states, a third company that is admitted in 24 states, but not the same states as the first and second. In any state it cannot take credit for reinsurance in a company that is not admitted to that state. Therefore, in four of the states it cannot take credit for reinsurance on this premium, but must pay the tax on the full premium without deduction for the reinsurance ceded to one of the three companies. The inability to take credit is different in each state.

Monthly reports come in showing the earned premiums at the various locations. These have to be allocated to the various states, with an eye on the reinsurance situation, that is, on the reinsurance deductions.

Difficulties With Deductions

Another difficulty is that a company may be ceded reinsurance by the direct company, and the direct company may not be admitted in one of the states where there is a location. Some companies, rather than show premiums from a company not admitted in that state, will throw the reinsurance premium for

(CONTINUED ON PAGE 14)

Sidelines Sales Stressed

Cincinnati Fire Underwriters Association Stages Six Selling Demonstrations—Production Suggestions Given

Six sales demonstrations bringing out premium possibilities in fire sidelines were presented to 300 solicitors and agents at the Cincinnati Fire Underwriters Association's sales congress. With the decline in fire premiums, this year estimated at 6 percent, agents have turned more and more to the sidelines in order to maintain their premium volume.

President Theodore Safford of the Cincinnati association in his preliminary remarks, stated that every premium dollar is "grist from the mill" and he disliked the implication of "sidelines." It is the agent's function to offer his client complete insurance protection, Mr. Safford pointed out. The sidelines are a primary and important step in getting new customers and offering the client complete insurance protection, said T. W. Earls, Earls-Blain agency, who arranged the program.

Each sideline was presented in a 15-minute playlet, the following participating in the program: Accident and health, Frank Wigglesworth, Travelers, and H. R. Whiteside, Earls-Blain Agency, Cincinnati; fire and supplemental contract, W. M. Aris, America Fore, and R. W. Hukill, Fireman's Fund, Cincinnati; automobile fire, theft, and collision, A. M. Wagner, manager automobile department, Chicago, and A. R. Gibson, Columbus, Hanover Fire; use and occupancy, Clarke Smith, assistant superintendent special service department, New York, and M. W. Slawson, Columbus, Royal-Liverpool groups; inland marine, D. L. Tullis and C. A. Kirkland, Royal-Liverpool groups, Cleveland; residence liability, W. C. Smith and L. E. Jones, Hartford Accident, Columbus.

The sales congress instituted an innovation in that it probably marked the first time a local board has attempted an educational program for solicitors which used an actual presentation for each line in a 15-minute playlet. It apparently stirred the interest of solicitors since attendance was very near 100 percent.

Streamlined Policies

The fire and supplemental contract coverage was termed a "streamlined" policy in a sales demonstration made by W. M. Aris, special agent America Fore group, and R. W. Hukill, special agent Fireman's Fund, Cincinnati. It was pointed out that the supplemental coverage attached to the fire policy is a comprehensive endorsement covering such hazards as windstorm, hail, riot and civil commotion, smoke damage, motor vehicle and aircraft property damage and explosion, except for a few exclusions. The small additional premium required to obtain the coverage was shown by an example of a three year \$5,000 fire policy on which the premium is \$17.50 and the windstorm premium \$10, the latter on \$2,500. For an additional charge of but \$12.50 for three years, the word "fire" is changed to cover all of the perils enumerated in the supplemental contract.

Quote Complete Cost

Mr. Hukill recommended that the complete cost be included in one price in giving a quotation to an assured and that the additional premium not be shown on the policy. Of course, the premium aggregation has to be shown on the daily report.

Sales arguments for automobile collision and the comprehensive coverage were demonstrated by A. M. Wagner, manager automobile department, Chicago, and A. R. Gibson, state agent, Columbus, Hanover Fire. The sale of automobile insurance, Mr. Wagner, who acted as the agent, said, is one of the most important services the agent has to perform. Towing and road service is covered for a \$3 additional premium.

Mr. Gibson, who acted as the prospect, asked, "If my automobile radio is stolen, would it be covered?" Mr. Wagner said that if it is attached to the automobile, it would be covered. If a thief attempts to break into a car, breaking the door handle, the company would be liable. The comprehensive policy covers damage to a car caused by Halloween pranksters.

Mr. Wagner recommended \$50 deductible collision since hardly a day passes without a serious accident taking place in almost any community, and regardless of how careful the assured is, the person responsible for the accident may be without funds. He pointed out that the collision coverage also covers upset at a cost of but 8 cents a day. In the event of complete destruction of the car, the assured is reimbursed for the actual cash value at that time.

Demonstration on U. & O.

"Profits are increasing and now is the time to go after business interruption insurance," Clarke Smith, assistant superintendent special service department, Royal-Liverpool groups, New York, stated, who with M. W. Slawson, special representative of the same group, Cleveland, gave a demonstration on use and occupancy. Mr. Slawson was assumed to be the proprietor of a mercantile risk housed in a three story fireproof building.

Mr. Smith said that loss of profits and the continuance of fixed expenses are just as much a cost as the actual destruction of the building. Mr. Smith asked his prospect whether he carried personal accident insurance and Mr. Slawson replied that he did. Business interruption insurance is the same as an accident policy, Mr. Smith said, it protects income and business income will not continue if a building is destroyed. Expenses such as the salaries of key employees, interest on indebtedness, insurance premiums, rent, taxes, and traveling expenses will go on. A survey showed that out of 1,000 firms, only 27 percent carry business interruption insurance.

Mr. Slawson said that he could reestablish his business in a vacant store up the street within 10 days if he were burned out. Mr. Smith replied that he probably would be held up for rent and he would have to have extra money for

(CONTINUED ON PAGE 16)

Illinois Leader



LYLE H. GIFT

Lyle H. Gift, who was elected chairman of the newly created program committee at the annual meeting of the Illinois Association of Insurance Agents in Peoria recently, is one of the most dependable men in the organization ranks in the state. He was in charge of the local arrangements at the state meeting in his city.

E. U. A. Annual Gathering in New York Is Well Attended

NEW YORK, Dec. 16.—There was an unusually large attendance at the 10th annual meeting of the Eastern Underwriters Association held at the Waldorf-Astoria here. An informal dinner was held in the evening. President R. P. Barbour, United States manager Northern Assurance, presented his annual report. He has been president for two years but is giving up the chair this year.

Undertakers Form Company

DES MOINES, Dec. 16.—The Directors Mutual Insurance Association has organized for business in Iowa with headquarters in the Insurance Exchange building, Des Moines. It issues fire, windstorm and automobile insurance exclusively for funeral directors. Its executive officers are Harrington Buck, secretary and general manager, and S. S. Hunter, assistant secretary.

Many London Lloyds Agents in Illinois Do Not Qualify

SET TOTAL AT ABOUT 35

Time Limit May Be Extended Beyond Dec. 15 for Offices Giving Assurances

Reduction in the number of Illinois representatives from 52 to approximately 35 is anticipated as a result of imposing the \$5,000 deposit requirement as of Dec. 15. Larger offices which have represented London Lloyds for many years qualified quickly, John S. Lord, attorney-in-fact, stated. A few offices took exception to some terms of the agreement but probably will make their deposits. Other offices apparently are having difficulty raising the required \$5,000.

Mr. Lord will report the names of qualifying offices to London as of Dec. 15, the time limit set for qualifying. Decision as to whether there will be any extension of time will rest with the London underwriters.

Committee May Be Permanent

The non-qualifiers will lose their privileges at London Lloyds and will have to broker their business through accredited offices, at lower commission than they have been receiving. The committee headed by C. W. Weisz of A. F. Shaw & Co., which represented the production offices in the negotiations will continue for some time, and may possibly become a permanent committee to serve as intermediary between London Lloyds and its Illinois representatives. The accredited offices feel that a big forward step has been taken with this arrangement.

The mushroom-like growth of Lloyds representation in Illinois resulted in submission of much risky business by some newer offices, and the underwriters at Lloyds found the loss ratio rising alarmingly. Continuation of the old condition might have resulted in a general tightening of underwriting requirements, thus affecting offices not responsible for the condition.

Offices More Cohesive

Some reduction in premium income is expected. An advantage of the new arrangement, however, is to make London Lloyds' representation in Illinois more cohesive, where before there was a condition of every man for himself. No aggressive campaign for business is anticipated. The Lloyds representatives and their underwriters, it is believed, will be content to develop the business slowly but conservatively.

Many Celebrities at "Jinks" of San Francisco Brokers

SAN FRANCISCO, Dec. 16.—About 750 attended the anniversary luncheon and Christmas jinks of the Insurance Brokers Exchange of San Francisco, where an elaborate program of entertainment was presented with Commissioner Carpenter as the principal speaker. Greetings of the exchange were delivered by Stephen Malatesta, recently elected president for the third consecutive term.

A number of prominent state and city officials attended, together with heads of the various insurance organizations, including Ray Decker, president Pacific Board; T. A. Gallagher, president San Francisco Life Underwriters Association; G. C. Appleton, president California Association of Insurance Agents; L. W. Cutler, president 1939 Exposition Company and resident vice-president Fidelity & Deposit; J. C. Bunyan, president Casualty Insurance Association of California; B. F. Springsteen, commander Insurance Post 404, American Legion, and F. N. Belgrano, Jr., past national commander American Legion and president Pacific National Fire.

THE WEEK IN INSURANCE

Schedule T in the annual statement blank, which appears for the first time this year, is giving the fire companies' accountants particularly a new headache. **Page 3**

Program announced for American Association of University Teachers of Insurance meeting Dec. 28 in Chicago. **Page 3**

Federal court at Kansas City will take under advisement the question of whether Manufacturing Lumbermen's Underwriters shall remain in federal court as a bankrupt or be returned to the state court. **Page 5**

Profit in agency depends on efficiency of operations, Oscar Beling of Royal-Liverpool group tells Cincinnati Fire Underwriters Association at meeting. **Page 6**

Commissioner U. A. Gentry of Arkansas takes position he has two more years to serve. **Page 6**

Some brevities on the meeting of the insurance commissioners. **Page 5**

Only about 35 of 52 London Lloyds representatives in Illinois appear to have qualified under \$5,000 deposit requirement effective Dec. 15 imposed by underwriters. **Page 4**

Risk Research Institute recommends sweeping revision of fire policy. **Page 5**

Connecticut commission advocates creation of state fund with which to pay medical costs of those injured in auto accidents. **Page 37**

The effective date for the new interstate commerce commission federal regulations of interstate truckers has again been set ahead, this time until Feb. 15. **Page 38**

Compulsory automobile insurance law of Massachusetts is found to have been a breeder of new casualty companies, whose executives have been willing to write the "easy" premiums on border line risks, resist claims and live well until the day of reckoning arrives. **Page 37**

Suggested standard provisions for group accident and health insurance discussed at commissioners' meeting. **Page 37**

Commissioner Hunt of Pennsylvania sounds warning on workmen's compensation and industrial life insurance. **Page 38**

Arex Indemnity Company receives New York license to write casualty and surety covers for the Ernest W. Brown, Inc., fire reciprocals. **Page 39**

Risk Institute Recommends Changes in Fire Contract

ASK THOROUGH ALTERATIONS

Research Group's Buyers' Poll Shows Desire for Comprehensive, Liberal Coverage

J. G. Goetz, managing director of the Risk Research Institute, has submitted to Superintendent Pink of New York recommendations for sweeping changes in the standard fire policy to provide for a comprehensive contract and to expedite loss settlements. The recommendations were endorsed by institute members and were favored by a poll of 3,500 insurance buyers throughout the nation, the institute said.

Superintendent Pink is chairman of the committee on revision appointed by the National Association of Insurance Commissioners. A number of lines in the present policy would be eliminated while changes would be made in almost the entire remainder of the document.

Change Lightning Clause

Among the important alterations suggested is a proposal to amend the insurance agreement to include loss or damage by lightning as well as by fire because the lightning hazard is universally covered by endorsement, the institute said. It was also suggested that the word "cash" be struck from the phrase "actual cash value." Other proposals include:

Elimination of lines one to six and lines 20 to 31. In the former any breach of conditions so set forth would void the policy under common law while common law also covers the latter lines. Lines seven to nine should be revised to permit covering the items excluded by them and the next two lines, nine to 11, would be struck out so the contract would automatically cover the items mentioned.

Cover Explosion Hazard

Revision of lines 12 to 19 is proposed in order that the policy would cover fire loss caused by explosion, riot and civil commotion, insurrection or military and usurped power. Lines 15 and 16 would be changed to permit insurance against loss or damage caused by order of civil authority if the subject is wholly or partially destroyed to retard or stop the spread of a fire. The exclusion of loss by theft should be changed to stipulate that theft sustained as a direct result of fire be considered part of the fire loss.

Lines 35 to 37 should be eliminated and 41 to 55 also, the institute recommended. The former relates to other insurance and the latter should be cut out because lines 38 to 40 if kept in the contract will safeguard adequately the assured's interest against any improper increase of the hazard occurring in any manner during the policy period. The vacancy period should be extended from 10 to 90 days, it was added.

New Cancellation Idea

Lines 59 to 71 would be eliminated, the first two automatically if the suggestion about lines one to seven are followed. Lines 62 to 67 should be deleted because the clause's removal would simply make the insurer liable to the extent of assured's interest in or legal liability for property encumbered by chattel mortgage. The next three lines dealing with the fallen building clause should be dropped, as the report said some companies had voided it for many years and other companies will waive it for assured.

Modification of the cancellation clause, lines 89 to 100, should be altered. It was suggested that if the assured cancels the policy, the carrier should be compelled to return the unearned premium.

(CONTINUED ON PAGE 28)

Texas Fire Commissioner to Join American General



RAYMOND S. MAUK

AUSTIN, TEX., Dec. 16.—Raymond S. Mauk has resigned as Texas fire insurance commissioner, effective Jan. 4, to become secretary of the American General of Houston. Several names have been mentioned as a successor to Mauk but no appointment has yet been made by Governor Allred.

Mr. Mauk's term expires Feb. 10. He has served as the fire member of the Texas board since his appointment in February, 1932, and made an enviable reputation in that capacity. He will be in charge of production in his new position. Before becoming fire insurance commissioner Mr. Mauk was a resident of Dallas. He was in the local agency business there with Seay & Hall from 1924 to 1932, following his graduation from the school of business administration of the University of Texas.

Company's Expansion Program

The American General has just voted a stock dividend of \$100,000 in addition to the regular quarterly dividend at the rate of 6 percent per year, the 32d consecutive quarterly dividend in its ten years' history. The stock dividend raised the company's capital to \$500,000, and the cash dividend was made payable on this increased capitalization.

"The stock dividend," President Gus S. Wortham pointed out, "was paid out of surplus, but at the same time leaves us with a larger surplus than we had at this time last year; in fact our surplus account, after payment of the dividend, shows an increase of approximately \$75,000. Total capital and surplus of the American General is approximately \$1,000,000."

The American General, Mr. Wortham said, is completing the most successful year in the company's history. He attributes the 1936 record to improved business conditions throughout the state. "This year," he explained, "we expect to close our books with record receipts of \$1,000,000 in premiums. This record, we believe, is directly due to better business, not only in the cities of Texas, but in the smaller towns and rural sections as well."

Plans for next year, Mr. Wortham said, include a general program of expansion with increases in the company's executive staff and personnel. Directors of the American General are, with one exception, all well known Houstonians. They are: B. F. Carruth, E. L. Crain, J. A. Elkins, J. W. Evans, J. W. Garrow, Jesse H. Jones, chairman of the RFC; John T. Jones, John H. Kirby, J. W. Link, Jr., Sam Taub, Wharton Weems, Gus S. Wortham and John Bennett of San Antonio. Mr. Wortham is president; B. F. Carruth, vice-president; T. G. Barrow, secretary-treasurer; Carle Aderman, secretary; E. R. Barrow, secretary.

U. S. Court Hears Debate On What Is a Reciprocal

Weights Whether Manufacturing Lumbermen's to Remain in Federal Bankruptcy

KANSAS CITY, Dec. 16.—Attorneys representing the various interests involved in the Manufacturing Lumbermen's Underwriters case wound up their arguments before Judge Otis in federal court here Monday. Judge Otis took under advisement the question as to whether the reciprocal shall remain in federal court as a bankrupt and be liquidated, or whether it shall be returned to the state court, where Superintendent O'Malley of Missouri has control under a temporary receivership.

Opposing the federal bankruptcy are Mr. O'Malley and eight participating subscribers, who are members of the advisory committee. The subscribers are the same who filed an answer in circuit court to Mr. O'Malley's receivership application. In the answer they contended the surplus of the reciprocal belongs to them individually, and should be distributed to them in case of either liquidation or reinsurance. For both Mr. O'Malley and the subscribers, inasmuch as their petitions to set aside the bankruptcy adjudication proposed substantially the same arguments, Harry L. Jacobs spoke. Jacobs is in the case as representative of O'Malley. The subscribers' chief counsel, however, are Charles M. Howell, and Scott R. Timmons.

Federal Court Jurisdiction

Supporting the adjudication is Rankin-Benedict, attorney-in-fact for the reciprocal, which filed the bankruptcy petition, said to be the first such filed in federal court by a reciprocal in history. Counsel for Rankin-Benedict is Charles M. Blackmar. Also supporting the adjudication is H. W. Monahan, vice-president of Rankin-Benedict, and federal receiver for the exchange, who is represented by A. J. Granoff.

Daniel V. Howell, who intervened for the benefit of Mr. and Mrs. H. C. Alley (Mr. Alley is chairman of the board of Rankin-Benedict), and other policyholders of the exchange who have unearned premiums on deposit, also spoke in favor of the adjudication.

Chief question involved, said Jacobs, is that of the jurisdiction of the federal court. Under the federal bankruptcy act, an insurance corporation cannot be adjudicated. Under the 1926 amendment, however, the act also excludes unincorporated companies, associations, businesses conducted by a trustee, etc., and Jacobs held that the exchange comes under the latter definition. He pointed out that it subjected itself to the insurance laws of Missouri and 34 other states. It always has held itself out as being in the insurance business. Advertising material of the company states that it is "the oldest form of insurance." It writes applications of insurance. It writes non-participating contracts, just as do stock companies, and it reinsures a part of its business.

Has No Power to File

Jacobs went on to show that the attorney-in-fact doesn't have power to file a voluntary petition because in law it simply is an agent for subscribers at the exchange. The advisory committee exercises a veto power and possess a higher authority.

Rankin-Benedict could not file the petition in bankruptcy also because it was supplanted as attorney-in-fact on Nov. 30, the day before the petition was filed. The eight subscribers, constituting three-fourths of the advisory committee, met in St. Louis on that date and elected V.

(CONTINUED ON PAGE 28)

O'Malley Issues Drastic Orders Governing Operation of Exchanges

JEFFERSON CITY, MO., Dec. 16.—In view of the questions that have been provoked as a result of the failure of the Manufacturing Lumbermen's Underwriters of Kansas City, Superintendent O'Malley of Missouri has promulgated a number of new regulations pertaining to reciprocals. Several of these regulations are drastic. For instance, reciprocals are prohibited from writing non-assessable policies.

"It has recently been brought forcefully to the attention of this department that the difficulties in which certain reciprocal or inter-insurance exchanges have found themselves have been caused largely from the writing of business on an inadequate rate basis," Mr. O'Malley's order reads. "Some of the difficulties have also been caused by various attempts made to write so-called non-participating and non-assessable policies of insurance likewise on an inadequate rate basis."

Must Comply in 30 Days

"In order to more fully protect the interests of those subscribers renewing their contracts of insurance in the future and also those who may become subscribers, and in the interests of solvency of such exchanges, it is hereby ordered that each of the exchanges now doing business in Missouri, shall within 30 days from and after the date of this order comply with the following rules and regulations in connection with the issuance of contracts of insurance or the exchange of indemnifying agreements by and between subscribers, namely:

"1. The attorney-in-fact for each of such exchanges shall be required to obtain a written power of attorney executed by each of the subscribers and have the same in his or its possession before any contracts of insurance of any kind or description shall be issued or

(CONTINUED ON PAGE 33)

Caught on the Fly at Commissioners' Muster

Ernest Palmer of Illinois, president National Association of Insurance Commissioners, surprised all with what he has accomplished within his five months' tenure of office. Before election to the presidency he brought about the redrafting and modernizing of the constitution and by-laws, he rewriting the entire draft. At the meeting in Hot Springs, Ark., he insisted on open meetings. He started the machinery for an executive secretary and permanent headquarters. He demanded regular reports from all committees. His suggestions were all embodied in the executive committee's report which was approved without discussion. Mr. Palmer as a presiding officer displayed his ability, versatility, wit and poise.

The two negative votes against the Carpenter plan for rehabilitating the Pacific Mutual were cast by Yetka of Minnesota and Boney of North Carolina.

S. W. Philpott, secretary of the Oklahoma Insurance Board, attended his first commissioners' meeting.

Commissioner Hunt of Pennsylvania received a wire from the Bellevue Stratford, Philadelphia, stating it would ac-

(CONTINUED ON PAGE 33)

Agency Profit Depends on Efficiency of Operations

Emphasizing that a saving of \$10 a month in office management routine is the equivalent of \$1,500 new premiums to an agency, Oscar Beling, manager agency system department, Royal-Liverpool groups, told the Cincinnati Fire Underwriters Association that office management methods are far reaching in their implications and lack of coordination in office routine may be a great weakness in the agency.

Nationwide experience indicates that an agent makes an 8 percent profit on his premium volume and every saving he is able to make is just so much more profit. The average fire policy premium is \$20.20 and the average liability policy premium \$60. To write a policy, on the average, costs an agent \$3, and to maintain his profit the premium must be at least \$12.50. Unit cost may be determined by the number of policies written in a given period divided by the operating cost.

Agents Should Study Needs

Many agents have expanded their personnel and record keeping methods to meet urgent expansion needs without sufficient study of an efficient accounting system. Methods will vary in different agencies and depend on local conditions. Preparation of invoices in sets makes it possible to produce a number of identical basic records which, in addition to the original accompanying the policy, may include accounts receivable, collection follow ups and others without additional expense. Mr. Beling recommended consistent use of window envelopes in outgoing mail.

Smaller policies in many agencies are delivered by hand instead of through the mail, an expensive process. A request for the renewal premium due may be sent out with the expiration notice.

Must Centralize Functions

All mechanical functions in an agency should be centralized, Mr. Beling stated, and the sales and underwriting departments departmentalized. In a small agency it has been found helpful to make each employee responsible for a major function. Many agents use "workbooks" showing the duties of each employee in the agency.

The new type "forgotten man" is the inside staff in an agency, Mr. Beling said. Agents overlook the importance of production-minded personnel through whom it is possible to build up premium volume at minimum cost. The office staff may build up information on assured obtained from the chamber of commerce, auto tax bureau and other sources. If a small policy is sold, such as household goods, the office staff should determine social, financial and insurable status of the assured. Production men are then enabled to concentrate more on actual sales contacts, through tips and leads furnished by the office staff. Some larger agencies maintain a "bureau of research" for this purpose.

Contacts Always Important

There are three types of contact: Personal, telephone and letter. A potential customer quite often calls at the office the first time and his first impression is important to the agency. Over-effusive and lackadaisical personal contacts should be avoided. Selection of a telephone girl who is pleasant and efficient is essential if a good impression is to be created of the agency. Letters written outweigh personal calls in the number of contacts made with assured and they should be representative of the agency. A dignified letterhead on good paper should be used, with the reading matter properly centered and carefully typed.

Maintenance of line records is vital to an agency, since an agent's clients are his best prospects. Companies are issuing new and attractive policies

which appeal to the medium class assured. An agent who shows a knowledge of insurance needs of his client and keeps him informed on new coverages establishes a reputation as an insurance counselor.

Accounting is simply "common sense applied to figures." The three basic records needed in an agency are: Cash record, receipts and disbursements; journal, summary of the monthly business, and general ledger, which gives a record of agency operations from which an agent is able to draw a trial balance. The customers ledgers or accounts receivable are controlled by the general ledger. An agent must keep a monthly record so he knows every month where he stands financially. Mr. Beling showed that an agent may be insolvent without knowing it.

A definite collection policy should be established from which exceptions should be made only in rare instances. The assured should clearly understand when his policy begins how the premiums are payable.

Emphasize Collection Problem

Mr. Beling said that there are two schools of thought on whether or not a producer should collect accounts. Many agents put their collections in the hands of individuals who do nothing but collection. Usually it is found most desirable to centralize collections. It is desirable to maintain a balanced collection list by month of origin, which is kept up to date daily. A good producer is usually not a good collector, and vice versa.

An agent should establish a minimum premium under which there should be no attempt at cultivation. Less than 50 percent of the agents who attended the National Association of Insurance Agents' Pittsburgh convention have their books audited and the average would probably run considerably lower, Mr. Beling said. Independent circularization of unpaid accounts is desirable. Many agents are forced out of business because they lack knowledge as to their true financial condition. The trusted employee frequently goes wrong and it is surprising how few agents have adopted the wise policy of bonding their employees.

Sympathy for Stuart Morgan

LANSING, MICH., Dec. 16.—Sympathy of insurance acquaintances throughout the state has been extended for the third time in recent years to Stuart Morgan, state agent of the Agricultural Fire, who is the father of Hope Morgan, 25-year-old psychology student and social worker who ended her life after being arrested on the charge of murdering her friend, Elizabeth Giltner. Only a few years ago Mr. Morgan lost his only son, Stuart, Jr., who was fatally injured in a fall from his bedroom window when he dozed while studying late at night, and exactly a year after the boy's death, Mrs. Morgan died suddenly. It is thought possible that the two bereavements preyed on the girl's mind. Fellow members of the Blue Goose, in which Mr. Morgan has been active, visited him to extend their sympathy and any possible assistance.

Mixes Politics, Insurance; Fined

Convicted of using his political connection in an effort to secure insurance on Pennsylvania state liquor stores, former State Senator W. H. Clark of Chester paid a \$1,000 fine.

The insurance department of the Southern Finance Corporation, Augusta, Ga., Scott Nixon, manager, has taken over the operation of the A. Martin Cozart agency. Mr. Cozart died recently.

Commissioner Ketcham's Response to the Welcome



J. C. KETCHAM

Commissioner Ketcham of Michigan responded to the addresses of welcome at the Hot Springs meeting of the National Association of Insurance Commissioners in a manner that won him many plaudits. He said:

"Before proceeding with my special part of the program, I desire to make two brief comments in response to the mayor's special reference to the baths of Hot Springs. Like Jiggs, I do not expect to stay until Saturday night and therefore must pass up his suggestion that I test them out.

"Secondly, speaking as a Republican, I am not impressed with his suggestion to President Roosevelt that he avail himself of Hot Springs' baths because of their 'radio-activity.' Personally, I don't think he needs any additional 'radio activity,' judging by the election results of November 3.

Some English Ceremonies

"In connection with the approaching coronation ceremonies in England, it is interesting to note that a court of claims has recently convened, presided over by the lord high chief justice, to determine what dignitaries of the realm shall be accorded the honor of bearing the king's 'golden spurs,' of being designated as 'King's Champion' to throw down the gauntlet to 'liars and traitors,' of bearing the 'King's Canopy,' and various and sundry other traditional honors.

"We smile at such formalities and go to the opposite extreme in avoiding them in our public functions and gatherings. Due, however, to a decent respect for the precedents and traditions of the past, or perhaps to the necessity of having something to 'break the ice,' we still hold to the custom of addresses of welcome and responses in opening many of our public gatherings.

Found Nothing New

"In a rather extended public career, I have heard some thousands of them. So far as I can recall, the ritual is unvaried. Nothing new has been or can be said. The host is becomingly proud and promising. The guests are agreeably surprised and satisfied. With occasional local variations, these are the fundamentals. Brevity and sincerity are the essentials. The good German farmer of Wisconsin had the right idea. When called upon to introduce Senator Spooner, he said, 'Ladies and gentlemen, id vas my pleasure to introduce Senator Spooner, who vas to speak to you. I have now done it and he vill now do it.'

"And so it is my honor and pleasure to tender this formal but sincere appre-

Commissioner Gentry Won't Resign from Arkansas Post

HIS TERM HAS NOT EXPIRED

Governor-elect Bailey Announced That Major M. J. Harrison Had Been Appointed to the Office

LITTLE ROCK, ARK., Dec. 16.—Commissioner U. A. Gentry said that he will not resign when Governor-elect Bailey assumes office, but predicted that it will "take the legislature about 20 minutes to change the law to kick me out."

Declaring that he has two more years to serve under the six-year appointment made by Governor Futrell in March, 1933, Mr. Gentry said he will not resign for the convenience of the new administration. He said the six-year term was provided in an act passed in 1927 to take the insurance department out of politics.

New Appointment Announced

Governor-elect Bailey announced two weeks ago that Maj. M. J. Harrison, Little Rock lawyer, who served as assistant insurance commissioner and as commissioner a short time several years ago, will be appointed to succeed Mr. Gentry. Major Harrison requested the governor-elect not to announce his appointment until after the commissioners' meeting, so that Mr. Gentry would be in no wise embarrassed, as it was really his "party."

Mr. Bailey declined to comment on the situation, but persons in close touch with his plans said a bill will be presented to the legislature to change the term of the commissioner, probably to four years. Such procedure has been adopted by many previous administrations and the so-called non-political highway commission set up under the 1929 highway codification law was ousted at the beginning of the Futrell administration by abolishing the old commission and setting up a new one.

Indicates Intention to Stay

At the closing session of the commissioners' meeting at Hot Springs, Commissioner Gentry as chairman of the committee on unauthorized insurance stated that he intended to gather information on the subject from every possible source, would communicate with the commissioners and make a report at the annual meeting in Philadelphia. This indicated to the commissioners that he did not intend to leave office.

Equity Corporation Probe

WASHINGTON, Dec. 16.—The Securities & Exchange Commission this week began its examination of the history and activities of the Equity Corporation, which will include a study of its acquisition of interest in General American Life, American Colony, Colonial States Fire, and their various subsidiaries and affiliates. The inquiry is part of a study being made by the SEC of investment trusts and investment companies, and will involve the relationship of the Equity Corporation with United Founders Corporation and other investment organizations.

ciation of this National Association of Insurance Commissioners—

"For the cordial welcome so fittingly expressed,

"For the courtesies so graciously extended.

"For the creature comforts so generously provided,

"For the promises so amply fulfilled.

"For the general good time being had by all,

"For the pleasant memories that shall linger through the years."

EVERY MAN HIS OWN SANTA CLAUS

How is Santa going to treat you? You do not have to wait until Christmas morning to find that out — for every man is his own Santa Claus! Whether or not your Christmas stocking will be fat or lean, depends to a great extent upon you.

We know many agents whose stockings will have a pleasing bulge because they have augmented their premium income by developing all the lines of insurance the companies write.

If you cultivate such lines as Business Interruption, Supplemental Contract, Inland Transportation, Fidelity Bonds and Personal Accident insurance during the coming year, you can bet Santa Claus will be good to you next Christmas!

PROVED BY THE ACID TEST OF TIME



America Fore Insurance and Indemnity Group

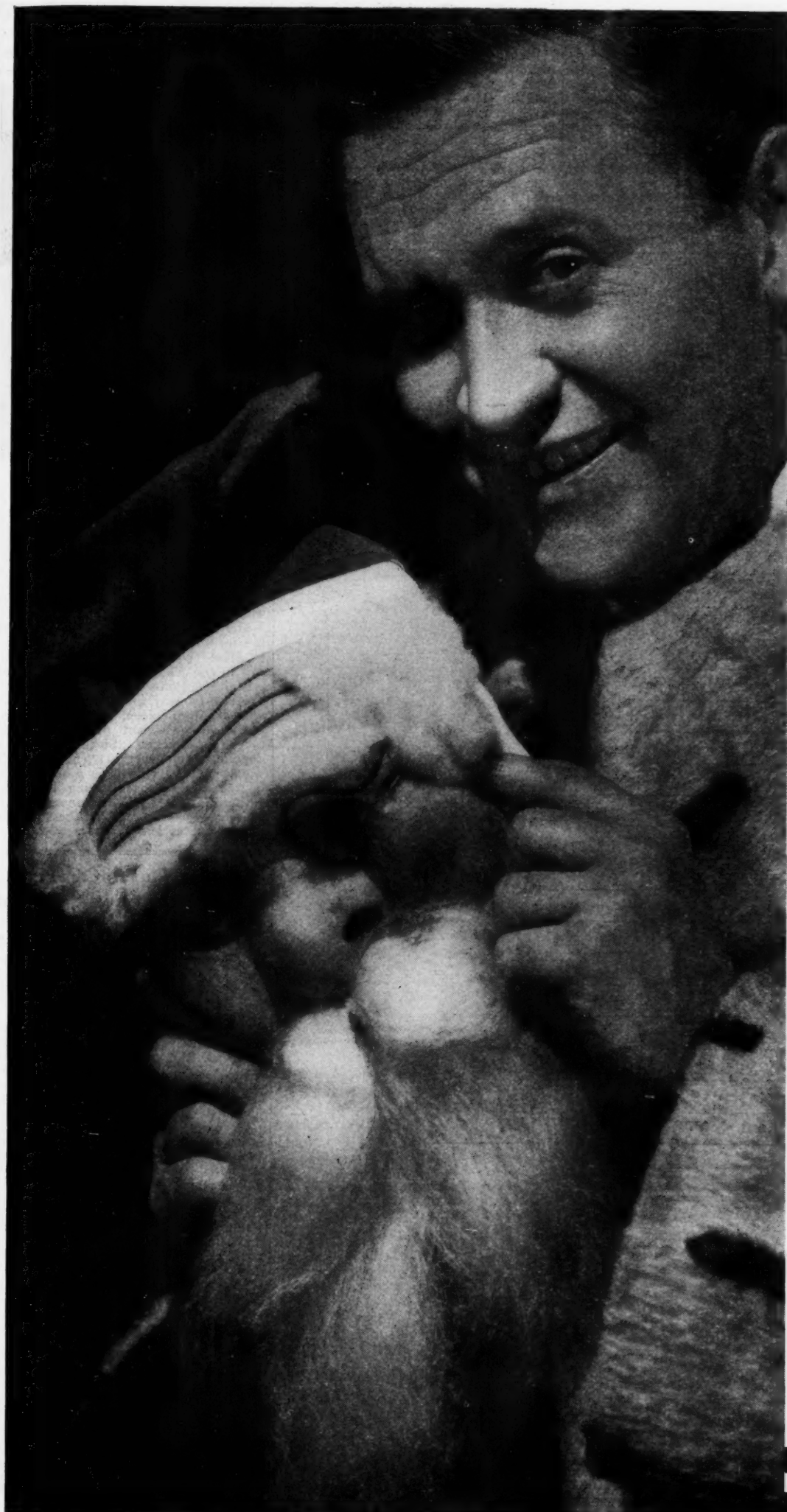
THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
NIAGARA FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President

Eighty Maiden Lane, New York, N.Y.

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS MONTREAL



Regional Vice-Presidents in Indiana Are Announced

INDIANAPOLIS, Dec. 16.—At a directors meeting of the Indiana Association of Insurance Agents on Tuesday, in Indianapolis, President Dean H. Swadener announced the following regional vice-presidents: District 1, Julius Meyn, Hammond; 2, J. W. Byrne, South Bend; 3, Don L. Carnall, Bluffton; 4, J. H. Doran, Monticello; 5, Ross Taylor, Kokomo; 6, Don H. Bell, Richmond; 7, Simpson M. Stoner, Greencastle; 8, R. Michael Fox, Indianapolis; 9, Glen B. Woodward, Bloomington; 10, Ralph

McReynolds, Evansville; 11, J. R. Clark, New Albany; 12, S. G. Boyd, Madison. New committee chairmen are: Legislative, Chris Zoercher, Tell City; grievance, J. W. Kirkpatrick, Muncie; membership, Indianapolis; fire and accident prevention, Leon Hammer, New Albany; farm insurance, C. W. Owens, Farmland.

The directors reelected J. W. Stickney secretary. He was elected treasurer at the annual meeting in October. A. L. Jenkins was elected national councilor. J. G. Martin is vice-president and Ross E. Coffin chairman of the board. Other directors are: Chris Zoercher, Tell City; J. A. Searles, Marion; W. C.

Myers, Evansville; J. W. Kirkpatrick, Muncie; C. W. Owens, Farmland; R. G. Hastings, Washington.

Plans were discussed for increasing membership and it was reported that much interest is being manifested throughout the state. Two new local boards have been organized since the annual meeting—at Elwood and Rushville.

It was announced that there will be no Indiana Insurance Day this year but the state association will hold a mid-year meeting in Indianapolis Jan. 20, with F. S. Dauwalter of the Business Development Office as the speaker.

Mr. Swadener attended a regional meeting at Evansville Monday evening.

Takes Representation of West Bend Mutual Fire



C. P. HELLIWELL

MILWAUKEE, Dec. 16.—C. P. Helliwell, Milwaukee, has been appointed representative of the West Bend Mutual Fire of West Bend, Wis., as an agent with numerous sub-agencies for Milwaukee and vicinity. The rest of the state will continue to be under State Agent R. M. Powers of Milwaukee.

Mr. Helliwell has been in the stock fire insurance business for 35 years and is widely known. He started 35 years ago in the Chicago office of the Continental and Connecticut Fire. From 1913 to 1920 he was in Milwaukee as field man for the Queen, and then for five years was assistant manager for the Queen in Chicago. Since 1925 he has conducted a general agency in Milwaukee. Mr. Helliwell is grand wielder of the Blue Goose, having been first elected in 1931, and has many friends in the fire insurance business in the United States and Canada.

B. Arthur Dugal, Canadian Superintendent, Is Dead

MONTREAL, QUE., Dec. 16.—B. Arthur Dugal, superintendent of insurance for the province of Quebec, died at his home in Quebec City Tuesday. He was 64 years of age and had been in ill health for the past three months.

He had made valuable contributions toward better control and administration of insurance matters in Quebec and won praise for his efforts to adjust differences existing between provincial and federal governments as to who had jurisdiction in insurance matters.

He entered the service of the Quebec insurance department in 1925, was made an inspector the following year and was appointed superintendent in 1929. He had been president of the Canadian Association of Insurance Superintendents and at the time of his death was the vice-president. His wife and two daughters survive.

Frank E. Burke Honored

NEW YORK, Dec. 16.—Frank E. Burke, who will retire as vice-president of the Home group Dec. 31, was dinner guest of the officers, underwriters and supervisors of the southern division of the associated companies Tuesday evening. On behalf of the field men of the southern department, State Agent H. C. Taylor presented Mr. Burke a handsome silver service, while the office force of the same division presented a fitted traveling bag.

Forty chapters, over 1,000 pages—"The Fire Insurance Contract" is complete, authoritative. \$3.50. The National Underwriter.

The Season's Greetings

As
we stand
together on
the threshold of
1937, speculating
on what it may have
in store for us, we sincerely
hope it will mean
plenty, health, and peace of
mind to you. We are deeply
grateful, and we thank you as sincerely
as we can for your cooperation,
which has made this past year
one of the most successful in our history.
Your good will surely is to be counted
among our greatest assets. A MERRY,
MERRY CHRISTMAS TO YOU AND YOURS



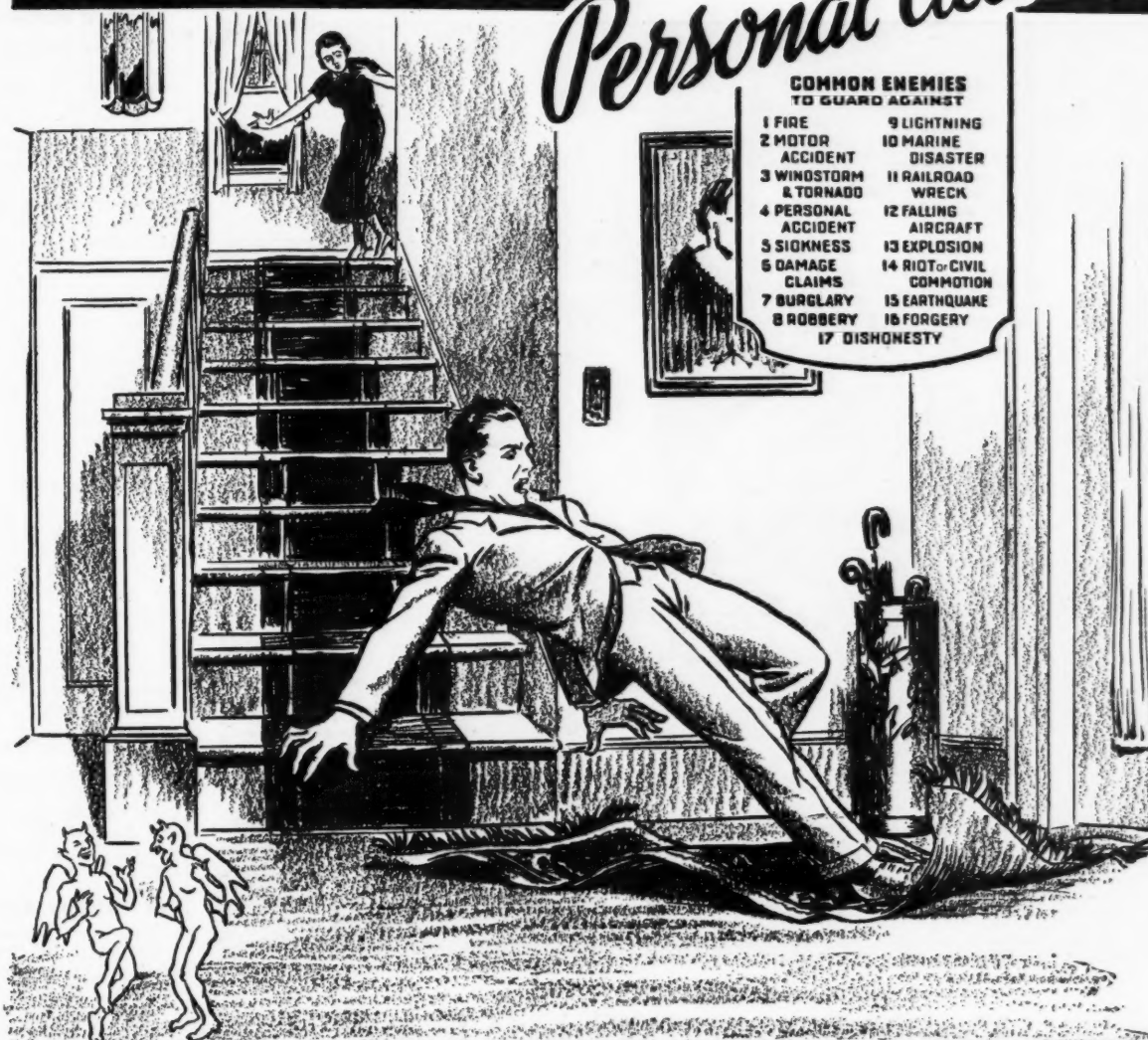
**MILLERS NATIONAL
INSURANCE COMPANY • CHICAGO**

Seventy-one Years of Service

PUBLIC ENEMY

No 4

Personal Accident



COMMON ENEMIES TO GUARD AGAINST

- | | |
|-----------------------|----------------------------|
| 1 FIRE | 9 LIGHTNING |
| 2 MOTOR ACCIDENT | 10 MARINE DISASTER |
| 3 WINDSTORM & TORNADO | 11 RAILROAD WRECK |
| 4 PERSONAL ACCIDENT | 12 FALLING AIRCRAFT |
| 5 SICKNESS | 13 EXPLOSION |
| 6 DAMAGE CLAIMS | 14 RIOT or CIVIL COMMOTION |
| 7 BURGLARY | 15 EARTHQUAKE |
| 8 ROBBERY | 16 FORGERY |
| | 17 DISHONESTY |

Home—a haven of rest, peace, safety! Yet even here lurk DANGER and FATALITY—nearly a third of all fatal accidents and approximately half of all disabling accidents in the United States occur beneath the family roof-tree.

Safeguard the home as best we can, still the DEMONS of misfortune and disaster are ever on the alert for carelessness or oversight, with far-reaching consequences in personal suffering and financial loss that only adequate INSURANCE can mitigate.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co. of N.Y. " 1874

WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS
CANADIAN DEPARTMENT
461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT

10 Park Place
Newark, New Jersey

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co. " 1866
The Concordia Fire Insurance Co. of Milwaukee " 1870
Commercial Casualty Insurance Company " 1909

PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.
SOUTH-WESTERN DEPT.
912 COMMERCE STREET, DALLAS, TEXAS

AS SEEN FROM CHICAGO

LARGE STREET CAR LOSS

The insurance loss as the result of a fire in the street car barns of the Chicago & West Towns Railway, where about 15 street cars, some sweepers and snow plows were destroyed, will be less than \$300,000. The insurance was under a blanket form amounting to \$1,000,000, covering various locations. It was written with 100 percent contribution and with pro rata distribution. The insurance was divided among many compa-

nies and Chicago agencies. The cars that were burned were those that had been operated in the suburb of Oak Park. The depreciation question will be an important one in the adjustment, since the age of the cars varied from about eight years to 25 years.

NORTH AMERICA INCONVENIENCED

The western department of the North America has been operating under difficult conditions for the past week, due to

the fact that a large section of the ceiling gave way on the 12th floor of the building in which the department is quartered. It was necessary to move practically all the staff from that floor while the repairs were being made. New tables had to be improvised to support the maps on another floor and a good many other inconveniences were suffered.

* * *

WALSH TAKES NEW POST

Leo S. Walsh, formerly with the London Assurance Cook county department, has joined the staff of the Chicago office of the Underwriters Adjusting where he will be assigned to both

fire and automobile claims. He was born and reared in Chicago and began his insurance career in the loss department of the National Fire where he learned the fundamentals of adjustments under the hand of Thomas Heald; from the National where he spent eight years he then went with the London Assurance where he organized the present loss department which he headed for the last 10 years.

Mr. Walsh was recently elected secretary and treasurer of the Western Loss Association. His addition gives the head office of the Underwriters Adjusting a staff of 12 exclusive of the Gary and Joliet sub offices.

* * *

ACTIVE PREVENTION PROGRAM

At a meeting this week of the junior fire marshals of the Chicago high schools, R. E. Maginnis of the American District Telegraph Company spoke on the "Ramblings of a Fire Prevention Engineer." Each of the 37 public high schools in Chicago has a junior fire marshal who is a member of the Fire Prevention League of Chicago High Schools in charge of Chief Frank C. McAuliffe of the Chicago Fire Insurance Patrol who is also head of the Chicago Association of Commerce's fire prevention committee.

The fire prevention committee of the Chicago Association of Commerce is conducting an educational program. R. E. Verner, Western Actuarial Bureau, gave a talk to 3,500 pupils of the Senn High School this week. A fire prevention poster contest is now under way.

* * *

FISHER COOK COUNTY SPECIAL

Lawrence R. Fisher has been appointed Cook county special agent of the Travelers Fire and the Charter Oak Fire. He has been with the Travelers for over 10 years, having had charge of the brokerage department. His general experience will be valuable to him in developing the business of the Travelers among brokers and suburban agents, A. M. Raymond, Cook county manager, said.

* * *

HOGLE STILL ON SICK LIST

J. H. Hogle, head of an agency bearing his name in Chicago, has been away from the office now nearly three months, due to arthritis. In his absence, the office is being conducted by M. E. Driscoll.

* * *

TO EXHIBIT NEW PATROL TRUCK

The new enclosed Insurance Patrol truck which has been designed for protection of patrolmen in severe weather, will be exhibited in the corner show room on the ground floor of the Board of Trade Building, Chicago, Jan. 5-7 under auspices of the patrol and the Chicago Board. This piece of apparatus has created much interest among fire officials and insurance men.

* * *

MODERN FIRE BOAT FOR CHICAGO

In about a month Chicago will take delivery on a \$134,000 fire boat designed to meet the special situation in that city. It will be launched Dec. 29 at Bay City, Mich., the largest Diesel-powered fire boat in the world. It will replace two obsolete boats, the "Graeme Stewart," 29 years old, and the "Illinois," 38 years old. The new boat, to be christened the "Fred A. Busse," will have only 15 feet clearance from waterline, and will pass under all except the railroad bridges in the Chicago river, thus obviating tie ups at bridges such as occurred in the Goose Island elevator fire several years ago. Very infrequently the bridge mechanism jams, holding fire boats until repairs can be made. The new boat has a rated speed of 15 miles an hour, against nine for the old boats. It has a full four nozzle capacity of 8,500 gallons a minute, compared to the two-nozzle 6,000 gallon capacity of the old boats. However, the old boats can be held at capacity only for a few minutes, as they exhaust steam pressure, whereas the new boat will pump at capacity indefinitely. It is



PHILIP D. GENDREAU, N. Y.

Agents Don't Live by This Alone!

The day when a company gave an agent a pad of policies, some don'ts, blessings, and no more, is long gone now. Modern, progressive companies know that there is much more to selling insurance and serving assureds than just pushing doorbells. No wise agent represents a company that sees him as a peddler of policies.

Today you must prepare prospects for your calls. Have you seen our booklets "Prospect and Mailing Lists" and "Mail Advertising for Local Agents"?

Today you must intelligently plan office procedure and collection meth-

ods. Help yourself to some good ideas from our booklets "Proper Records" and "Credit and Collections."

Today you must know what to say in selling before you talk with a prospect. Ask us for "The Insurance Survey, A Selling Tool" and "Why ONE GOOD Insurance Man" — a sales portfolio that will tell your prospect why he should entrust all his insurance to one good agent, why surveys are worthwhile, why the use of mutuals does not save money.

Today you must, as an important technical specialist in your commun-

ity, help in local movements for the greater good of the people of your city or town. Send for "Fire Prevention and the Insurance Agent." "A Profitable Thought, Mr. Banker" will tell your banker why he, your assured, and you alike will be better served if automobile loans are financed through commercial banks.

If you would like to see these booklets—only a part of the service we render our agents—write on your agency stationery telling which ones you'd like—you won't be obligated in the slightest.

The
MANHATTAN

Fire and Marine Insurance Company

The
LONDON ASSURANCE

Ninety-Nine John Street, New York

The
UNION FIRE

Accident and General Insurance Company

Another Year is Ending

AS another Christmas approaches we pause in year-end fiscal activities to reflect on one item which never appears in our list of assets. This is the loyalty, cooperation and aggressiveness of our agents. Without this fine spirit among you men we could not be closing the books on a prosperous year.

TO every agent of the Pearl-American Fleet a merry, merry Christmas and a happy, prosperous New Year.



PEARL-AMERICAN FLEET

PEARL ASSURANCE CO., LTD. OF LONDON
EUREKA-SECURITY FIRE & MARINE INSURANCE CO.
MONARCH FIRE INSURANCE CO.

New York
Philadelphia

Cleveland
Cincinnati

Chicago
San Francisco

powered with five Diesels, one centered aft, solely for propulsion; one on each side for propulsion or pumping, and two more amidships solely for pumping. Use of Diesel power will effect a considerable saving in standby expense. The "Graeme Stewart" will be stripped, the "Illinois" taken out of service and placed in reserve, and the "Joseph Medill" probably shifted to South Chicago.

BROKERS' PARTY IS BIG SUCCESS

More than 1,100 insurance men and department officials attended the "Gold Rush" stag of the Insurance Brokers Association of Chicago, President R. M.

Redmond reported. The admission price was lower than last year, but due to a more advantageous contract with proprietors of entertainment features the association cleared substantially more than last year, when the profit was about \$1,200. Five department officials attended, Hiram McCullough, supervisor small loans and office manager; A. C. Resek, in charge Chicago branch office; J. O. Brown, superintendent of licenses; Frank Moose, assistant chief examiner, and A. A. Braband, license investigator. The entertainment was elaborate with a floor show during the dinner and another afterward as the jollification progressed. The success of the brokers'

two pre-Christmas get-togethers assures that this affair will be an annual event.

CHRISTMAS CARD IS SELECTED

The Christmas card to be sent out to class 1 members and selected officials by the Chicago Board has been selected, Miss La Verne Hand, secretary to Manager J. S. Glidden, casting the deciding vote. It bears an engraved winter woods scene in deep blue ink.

BECOMES LOSS CLERK

Harry Woodward has replaced Leo S. Walsh as loss clerk with the London Assurance in Chicago. Mr. Walsh

has gone with the Underwriters Adjusting. Mr. Woodward has been with the London for three years and during Mr. Walsh's recent illness performed part of his duties.

BIG TURNOUT FOR SONNEN

Reservations already made indicate that the dinner next Monday evening for W. J. Sonnen, who is retiring as Chicago manager for the St. Paul F. & M., will be attended by more than 100. C. W. Ohlsen, western manager of the Sun, is in charge of reservations. W. T. Benallack, secretary of the Michigan F. & M. in Detroit, will act as toastmaster. Other features of the program are now being perfected.

WESTERN ADJUSTMENT CHANGES

Robert M. Beatty, general adjuster of the Minneapolis staff of the Western Adjustment, has been called to the head office, to serve as general adjuster in charge of the Cook county department. He will succeed Theron C. Reed, who will shortly reach retirement age.

In bringing Mr. Beatty to the head office the management is requisitioning the services of an adjuster who has made a reputation in the northwest, under Manager Mehagan, as an unusually competent adjuster. At the same time Mr. Beatty is thoroughly familiar with the Cook county situation, having operated there before going to Minneapolis. His selection introduces a comparatively young man into the head office, a factor of some importance in view of the heavy burden which that staff has been carrying. The other senior fire adjusters of the central Cook county office are Messrs. Stagg, Heintz, Riordan and Powers.

Mr. Reed will continue his adjusting career for the present, dividing his duties between actual adjusting and the handling of inter-branch cases. He has been with the company continuously since 1908, but first joined the organization in 1902, prior to which time he was in the grain brokerage business.

George F. Knapp, who joined the Western in 1915 and returned to the service in 1935, after a few years' absence, will now assume charge of the north side Cook county office, succeeding Paul H. Rehfeld. Charles C. Cate will continue in charge of the south side Cook county office.

HOLD PATROL PARTY DEC. 22

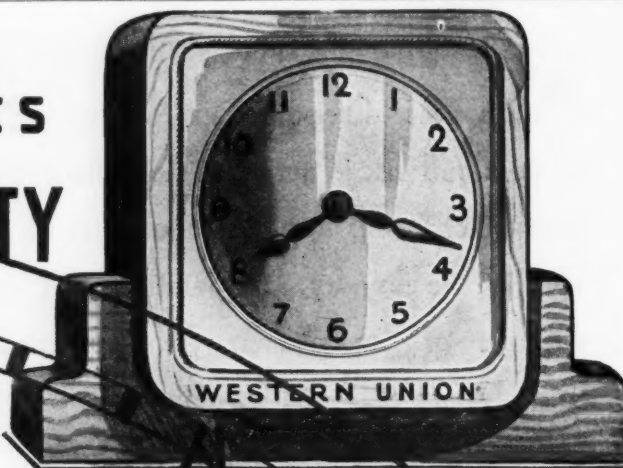
The annual Christmas party which the Chicago Board holds for children of Insurance Patrol men and Chicago Board employees, will be held in the West Side Masonic Temple, Chicago, Dec. 22. It will be preceded by a dinner to officers and the patrol committee of the Chicago Board, with Chief Frank C. McAuliffe as toastmaster.

HOSMERS ARE FETED

A testimonial dinner was held at the Chicago Club Wednesday night in celebration of the completion of 50 years of continuous representation of the North River Fire by the Chicago agency of R. W. Hosmer & Co. It was the first time that any agency in the middle west had completed 50 years representation of the North River. President P. B. Hosmer and Vice-president Rockwood Hosmer of the agency were presented with handsome desk sets by J. Lester Parsons, president of the Crum & Forster companies. There were talks by Ernest Palmer, Illinois insurance director; Harold Junker, vice-president of the Crum & Forster companies; Robert C. Hosmer president of the Excelsior Fire of Syracuse, and a brother of the two Chicago Hosmers; Fred M. Gund, western manager Crum & Forster; August J. Kuelzow, secretary of the Hosmer agency, who in April of next year will complete 50 years with the Hosmer office, and F. H. Kingsbury, a retired official of the Globe Indemnity. There were 31 at the dinner. Howard J. Burridge of THE NATIONAL UNDERWRITER presided as toastmaster.

Because Of Its DEPENDABILITY

Every day of the year, literally millions of people pause before some 150,000 clocks bearing the familiar "Western Union" legend, to check their personal timepieces. This time service has grown in extent and in acceptance since it was originated in 1889 because *it has proved dependable*. And accordingly men and women everywhere keep their appointments, meet their trains, and time their daily affairs with full confidence in the accuracy of their own timepieces when synchronized with a clock labeled "Western Union".



The choice of insurance backed by an organization of proved dependability is equally important... it, too, can be bought by label.

The Hartford Stag on a policy is the symbol of an organization which has met and bested every financial strain and crisis imposed through its 126 years of service... *it is the symbol of tested insurance.*

You can hand your customer a policy bearing the Hartford trademark, certain that the contract will be kept. Your customer, too, is confident of that.



HARTFORD FIRE INSURANCE COMPANY

HARTFORD • CONNECTICUT

JEWELRY

REPOSING IN VAULTS
IS NOW BEING
TAKEN OUT
TO BE WORN.

Insurance Protection

*may be
Overlooked!*

You owe it to your
Clients to point out
the broad cover
and world wide
adjustment
advantages
of the

**ALL RISKS
PERSONAL JEWELRY
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COMMERCIAL UNION ASSURANCE COMPANY, LTD.
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UNION ASSURANCE SOCIETY, LIMITED
THE COMMERCIAL UNION FIRE INSURANCE COMPANY

ATLANTA
SAN FRANCISCO

Schedule T in Statement Blank Is a New Headache

(CONTINUED FROM PAGE 3)

that state on that particular risk into its direct premiums.

On another risk the reinsurance, or part of it, may be in London Lloyds, and hence not deductible as a credit. In filling out schedule T the company will show the premium as gross, without reinsurance, or at least without any reinsurance except that in admitted companies.

The records of the company will, of course, show completely the actual situation on every risk and every dollar of reinsurance. Yet because of the difference in deductions allowable, its report in schedule T will not show the exact truth and schedule T will not balance with the gross figures on premiums in reinsurance.

The principal sufferers are the accountants of the fire insurance companies. However, there are some difficulties for the casualty companies, owing to floater risks and countrywide locations for compensation, public liability, automobile liability, etc.

Rating, Inspection Bureaus Source for New Field Men

(CONTINUED FROM PAGE 3)

ually to replenish the staffs of the bureaus.

Bureau managers have been less worried by the quantity of the withdrawals than by the quality. The companies are picking their field men carefully and almost every bureau man who becomes a field man is one whom the manager hates to lose.

The situation is more or less peculiar to the middle west and Pacific coast. In the east, where there are fewer reratings and changes in the schedule, the bureaus require smaller staffs and most of their members are "career men" as far as rating work is concerned.

Another factor in the loss of bureau men is the rebuilding or reestablishing of engineering departments by the fire companies. Some large companies abolished their engineering departments altogether, while others cut them down and permitted them to atrophy by not replacing men. With money more plentiful and competition for new business intense, a number of companies are once more offering the services of engineering departments, staffing them with bureau men. Large agencies are also establishing or reinstating an engineer or two with bureau-trained men preferred.

Possibilities Are Studied

The fact that companies are recruiting extensively from the rating bureaus these days has caused staff members generally to become somewhat excited at the possibilities. Those who see their colleagues step into company ranks begin to feel that they, too, should make the break at this time and many of the young men in the rating bureaus are putting out inquiries these days. Some of the rating bureau managers are becoming quite embarrassed because their staffs are becoming depleted and they are losing a good many of their best men. Although there is no dearth of green material, the managers must have a certain portion of seasoned men to carry on the work. The rating bureaus have been limited in what they could pay and there is little likelihood that they can offer an increased scale at present.

Although the bureau executives appreciate that one of their important functions is to provide a training ground, yet they also know that serious work is to be done and that their usefulness can be impaired if they are stripped of manpower in a comparatively short period of time. Normally there is a flow of talent through the bureaus and as the normal demand of companies arises, that demand can be met. However, the com-

NEWS OF FIELD MEN

Taylor Will Succeed Moreau

**Veteran Ohio State Agent of St. Paul
F. & M. Becomes General Adjuster
at Home Office**

ST. PAUL, Dec. 16.—Ralph H. Taylor, veteran Ohio state agent of the St. Paul F. & M., has been appointed general adjuster at the head office to take the place of B. E. Moreau, who becomes Chicago manager. He will come to the home office some time after the first of the year to take up his new duties. Early next year Mr. Taylor will have been with the St. Paul 25 years. He started in the business with the Allen & Kelley agency of Terre Haute, Ind., in 1898. After 10 years experience there he went into the Ohio field for the Western Reserve of Cleveland. Two years later he made a connection with the old Henry J. Woessner general agency of Chicago, traveling in Ohio for the California and Sun of New Orleans. His next connection was with the St. Paul which he has continuously represented since.

Laude Named as New Head of Washington Blue Goose

SEATTLE, Dec. 16.—Clay Laude of the Hail Bureau was elected most loyal gander of the Washington Blue Goose; Milton B. Mitchell, Hartford Fire, supervisor; Robert S. Aitken, American, guardian; Harry Morey, attorney, custodian; J. A. Sabiston, Hartford Fire, keeper, and Keith Rhodes, Home of New York, wielder.

J. M. Kellum, Commercial Union, and E. L. Smith of the state fire marshal's office are new members.

H. F. Collins Takes Father's Post

DENVER, Dec. 16.—Henry F. Collins, former special agent for the North America, has left this company to take over the duties of his father, M. H. Collins, veteran field man for the Springfield Fire & Marine in the southern Colorado and New Mexico territory. Mr. Collins, Sr., is retiring from active service as a result of poor health. However, he will continue with the company in an advisory capacity. He has been with the Springfield for 26 years and in that time made an excellent record. He is one of the best known of the old-time field men in this territory.

Cecil C. McGee With National

Cecil C. McGee, formerly of the Missouri Inspection Bureau, has joined the National as special agent in Missouri with headquarters in Kansas City under State Agent Beistle. He has been connected with the Missouri Inspection Bureau about 11 years in the Kansas City office.

Opens Portland Office

P. L. Growney has been named special agent in charge of the new Portland, Ore., service office of the Northern Assurance with offices at 619-20 Failing building.

Birchall in Field Post

The Central Fire of Baltimore has appointed William E. Birchall special agent for eastern Pennsylvania and Delaware with headquarters in Philadelphia, succeeding Paul Turner, Jr.

panies for the past five years have not been adding to their staffs and rather suddenly they have found that they need men. They are all turning to the bureaus at the same time.

Mr. Birchall has been with the company for 12 years, having served in the home office as well as in the field. Recently he has been in charge of the automobile department. David D. Muligan, who has had an extensive training in the home office, will succeed him in that post.

Everett P. Benjamin, special agent for northern New Jersey, has been given supervision of the entire state and will make his headquarters in Newark.

Corroon & Reynolds Names Two

Corroon & Reynolds have made two appointments in the central western field. R. A. Eliassen has been appointed special agent in Ohio with headquarters at Columbus. He was formerly with the National Liberty in Ohio.

Leo B. Miller of Detroit, who has been connected with the Michigan Inspection Bureau, has been appointed special agent in Michigan and will do both field and engineering services. He will assist State Agent J. G. Ferris.

Springfield Has Regional Meets

Regional meetings of field men of the Springfield F. & M. group have been held recently, one at Kansas City and the other at Dallas. Secretary E. G. Frazier conducted the sessions at Kansas City for field men from Kansas, Missouri, Iowa and Nebraska.

Mr. Frazier went to Dallas for the meeting with field men from Texas, Oklahoma and Arkansas. Executive Vice-president J. C. Harding, from the western department, went to the Dallas meeting, after having been in Hot Springs, Ark., for the mid-year meeting of the National Association of Insurance Commissioners.

Ohio Inspections Scheduled

The Ohio Fire Prevention Association will inspect Ashland March 10, Marietta April 14 and Plainville and Fairport the latter part of April.

The association will continue next year its newspaper article contest by members of the Ohio Newspaper Women's Association on "Fire Prevention in the Home."

Sunflower Puddle Meets

F. E. Basher, Kansas special agent for Reed Pennington, Denver general agent, who has recently established headquarters in Wichita, Kan., was a guest at the Sunflower Blue Goose puddle luncheon. George Shanks, Fireman's Fund, and O. D. Butcher, Hartford, both of Topeka, were also guests.

The Women of Blue Goose, auxiliary of the Sunflower puddle, held its first regular monthly luncheon meeting since organization. An afternoon of bridge followed the luncheon and business session.

California Pond's Dinner Dance

More than 75 couples attended the annual celebration and dinner dance of the California Blue Goose of Los Angeles. Raymond Needham, Glens Falls, was in charge of arrangements, assisted by V. W. McKinney, America Fore, and Jack Shields, Pacific Board.

Cole to Seattle

George Cole has been transferred from the San Francisco office of the Aetna Fire to Seattle as special agent. He will cover the Pacific northwest including Oregon, Washington and Montana.

Plan Christmas Party

SAN FRANCISCO, Dec. 16.—An enthusiastic response from the membership of the San Francisco Blue Goose in its varied activities is shown in the semi-

annual report of Stanley McPherson, most loyal gander. The "Dad Shively" Christmas party will be held Dec. 21 to assist poor children to enjoy the holidays. Plans are under way for an annual banquet in February held prior to the annual meeting of the Fire Underwriters Association of the Pacific.

Bay State Club Elects Monday

The Bay State Club will stage a Christmas party in Boston next Monday night on the occasion of its annual meeting. At last week's meeting Paul A. Colwell, vice-president of G. L. & H. J. Gross, Providence, R. I., spoke on use and occupancy.

Perez in New Post

Louis Perez, the new Alabama state agent of Corroon & Reynolds, with office at 615 Farley building, Birmingham, is well known among Alabama agents, having previously been manager of J. L. Davis Co., general agency of Birmingham, which has been liquidated.

American Field Confab

NEWARK, Dec. 16.—Field men of the American of Newark group from the eastern, New England, Carolina-Virginia and western departments will hold a production conference here Feb. 8-10.

This will be the first time that the western field representatives have met with the other representatives. An interesting program is being prepared. There will be a group discussion and an exchange of production ideas.

Kentucky Committees Named

LOUISVILLE, Dec. 16.—Wallace G. Smith, newly elected president of the Kentucky Fire Underwriters Association has named his standing committees. The executive committee is composed of John C. Whorton, chairman; W. P. Huffman, T. G. Wilds, M. C. Miller and G. C. Dick. Chairmen of other committees are: Public relations, James E. Chittenden; educational, J. W. Bethel; floral, George Schuster; farm, E. C. Hill; attendance, George Akin; ways and means, C. P. Thurman; bureau tag, David Zeiser; loss, Marshall Mellor; convention and entertainment, R. L. Meeks.

Utah-Idaho Party Dec. 28

The Utah-Idaho Blue Goose is holding a holiday party the afternoon and evening of Dec. 28 in Salt Lake City. There is to be a regular meeting in the afternoon, to be followed with an initiation and then dinner and dancing.

Home Appoints Kling

The Home of New York has appointed C. V. Kling special agent for its fleet in Brooklyn. Headquarters will be at the home office in New York. Mr. Kling joined the Home group in 1928, later becoming an underwriter for the National Liberty and the Baltimore American.

Field Club Holds Party

New officers of the Cook County Field Club, headed by E. A. Birkemeier, Fireman's Fund, were installed at the annual Christmas party held at the Lake Shore Athletic Club this week.

In addition to the turkey dinner there were refreshments.

Indiana Christmas Party

Early reservations indicate a good attendance for the 30th anniversary and Christmas party of the Indiana Blue Goose Dec. 21 in Indianapolis.

Martin Iowa Pond Guest

A guest at the luncheon meeting of the Iowa Blue Goose was H. P. Martin, from the home office of the St. Paul Fire & Marine, who was spending a few days at the state office of the St. Paul in Des Moines.

The women's auxiliary of the Wisconsin Blue Goose held its annual Christmas party and luncheon in Milwaukee Dec. 15.

Chicago Brokers Report Accord With Board Near

A tentative working agreement has been drafted in conferences of special committees of the Insurance Brokers Association and Chicago Board which it is hoped will patch up the differences, it was reported at the brokers annual meeting Wednesday afternoon. The committees are still in touch with each other and more definite assurances of a pact to end the brokers' disgruntlement over the Chicago Board's refusal some time ago to grant full-time brokers representation on the board and in certain committees are expected to be given soon.

Three new directors were elected: C. S. Prince of Stewart, Keator, Kessberger & Lederer; W. J. Robbins, and F. D. Walberg, the latter for a one-year term. Other directors selected for three-year terms ending with the annual meeting in October 1939, are: F. A. Bentley, C. A. Berger, Angus Chassells, A. J. Gallagher, J. W. Hanrahan, F. P. Lavin, J. J. Monahan, and J. C. Shepherd. The nominating committee consisted of J. H. Slagle, C. E. Freeto, J. H. Moore, F. C. Bracken and E. E. Mack.

The members heard reports on the status of Chicago's suit against them to collect the \$25 license fee, held in abeyance by injunction for several years; finances, grievances, and also on results of the "Gold Rush" party last week. The directors will meet shortly to elect officers for the next year.

Adjusters Weigh Broad Form

The Western Loss Association appointed a special committee to consider the supplemental contract at its regular monthly meeting in Chicago. The committee will not only report on recommended loss procedure but will confer with the Western Underwriters Association and Western Actuarial Bureau regarding possible revisions in the form. The public adjuster situation was also discussed and the program for the coming year was outlined.

B. E. Moreau, who has just been appointed Cook county manager for the St. Paul F & M, presided. He was recently elected president of the Loss Association and will continue in this office, since his new duties will include supervision of losses, as well as business development. E. H. Nordgren, Fireman's Fund, is secretary.

Kansas City Agents Elect

KANSAS CITY, Dec. 16.—The Insurance Agents Association of Kansas City elected Robert Mann of Mann, Barnum, Kerdolff & Welsh president to succeed Henry B. Shea. H. C. Rumberger was named vice-president, and Fred Griffith was reelected treasurer.

Frank McGee of Thomas McGee & Sons and Cary B. Jones of R. B. Jones & Sons were named to the executive committee for two-year terms. Ernest U. Winegarden was elected for one year to represent Class 2 members of the association. The terms of Mr. Rumberger and of O. B. Simmons, Lovelace, Simmons & Burke, have one year to run.

Mays Richmond County Speaker

Means for meeting nonstock competition will be discussed by M. W. Mays, assistant manager of the Business Development Office, before the Richmond County (N. Y.) Association of Local Agents at St. George, S. I., Dec. 18.

Atlanta Insurance Lawyer Dies

ATLANTA, Dec. 16.—J. Carter Cook, for 22 years general counsel for the Southern Adjustment Bureau, died at his home after a short illness.

He came to Atlanta in 1914 as general counsel for the companies affiliated with the Southern Adjustment Bureau, which position he held until his death. He was considered one of the outstanding insurance lawyers in the south.

Southern F. & M. Receives Charter; Capital Subscribed

ATLANTA, Dec. 16.—The Southern Fire & Marine of Georgia has received its charter from the secretary of state. It is associated with the Southern Life, which was organized last July and began business in August. Stockholders of the new company will meet soon to elect directors, who will in turn elect officers.

The Southern Fire & Marine was organized by the Southern Insurance Securities Corporation, a holding organization, which will own half the stock in this new company, as it does in each affiliated company. B. Graham West, comptroller of Atlanta; Jere A. Wells, Fulton county superintendent, and Dr. Dan Y. Sage served as escrow agents during the organization period.

The initial offering of 1,500 shares of stock to provide a minimum capital structure of \$300,000 has been subscribed, and the new company and its affiliates now have combined assets in excess of \$1,000,000.

This company is owned and operated by citizens of Georgia and plans to confine business operations to this state for the present until such time as it may be to advantage to enter other nearby states for business.

Public Fire Hearing Dec. 22

NEWARK, Dec. 16.—Creditors and stockholders of the Public Fire, which has long been in the hands of the New Jersey insurance department, have been directed by the New Jersey court of chancery to show cause on Dec. 22 why a 3 percent dividend of \$21,420 on \$714,027 of allowed claims against the company should not be approved by the court.

In his petition Commissioner Withers stated 1,056 claims, aggregating \$1,988,267, had been presented. Of these, two, totaling \$4,686 were preferred claims and were ordered paid. In 912 claims for \$1,627,300 there was \$816,532.23 allowed and adjustments totaling \$102,505 further reduced the claims to \$714,027. There were 124 claims for \$319,965 rejected in full and 18 claims are in process of adjudication.

Increase For Standard, N. J.

The Standard Fire of Trenton is paying a dividend of \$1.75 a share, compared with 75 cents previously paid.

Crum & Forster Dividend

Crum & Forster has declared a special dividend of 45 cents per share and the regular quarterly dividend of 25 cents a share, both payable Jan. 15. This makes a total this year of \$1.45, compared to 90 cents last year. Crum

Compensatoin Decisions May Fix Employee Status

LINCOLN, NEB., Dec. 16.—C. Petrus Peterson, general counsel for the Bankers Life of Nebraska, at a meeting of the Lincoln Life Underwriters Association said that until the government gives a new definition of "employee," agents who work on commission will have their status determined under the social security act by the same rules of law now governing in workmen's compensation decisions. The same rule will apply, he believed, to general agents. It is not determined by how a person is paid but the control that he exercises over his own activities. If he is free to work when he pleases and call on those whom he selects his status is that of an independent contractor and not that of employee. If he is paid a salary there is no doubt as to his status as an employee.

& Forster Insurance Shares declared special dividend of 50 cents per share on class A and class B common stock, payable Dec. 21.

Yorkshire Manager to Retire

W. T. Maudsley, for more than 40 years general manager of the Yorkshire at the home office in York, England, will retire Dec. 31. He will continue as a member of the board. His successors will be R. M. Hamilton and A. Harrower, both assistant managers, who will become joint general managers.

Declares Extra Dividend

The Birmingham Fire of Birmingham, Ala., has declared an extra dividend of 50 cents per share in addition to the regular of 25 cents per share, payable Jan. 2 to stockholders of record Dec. 15.

Elected Director of Aetna

F. G. Smith, president Hartford-Empire Company, was elected director of the Aetna Fire to succeed the late H. B. Cheney, and also becomes director of the World F. & M. and Century Indemnity.

Report on Universal

The financial statement of the Universal of New Jersey, as of Oct. 31, shows assets of \$3,049,080, market value. Unearned premiums totaled \$417,460; capital stock \$400,000, and surplus \$1,525,722. There is a special reserve fund of \$114,245 for reinsurance.

Bars Christmas Fireworks

MAYFIELD, KY., Dec. 16.—Mayfield has decided to abandon the old southern custom of celebrating Christmas with a noisy fireworks display. A city ordinance was passed prohibiting shooting of fireworks in the city "except by a person on his own property." Police were instructed to arrest persons caught violating the law. Paducah has a similar law, but it has not been enforced.

South Dakota Brevities

SIOUX FALLS, S. D., Dec. 16.—The regular meeting of the South Dakota Field Club was held at Huron. There was a large attendance.

Jack Krug, special agent America Fore group in South Dakota, announces the arrival of a daughter.

Robert Whitchurch from the Rockford, Ill., office of the American, is doing some work in South Dakota, assisting his father, H. E. Whitchurch, South Dakota state agent, who has been suffering from a severe cold for the past few weeks.

Fred Weld of the contact department of the Northwestern F. & M. and Twin City, spent the past two weeks in South Dakota, getting acquainted with the agency plant.

Burden Now on Employer

After advertising widely that employers could make their applications for social security account numbers directly to the postmaster, instead of through the employer, or through a labor union, instead of through the employer, the social security board is now out with a warning to employers that they must see to it that employees file such applications. In its warning to employers the social security board entirely fails to suggest how the employer can know whether the employee has filed his application. The warning is in the form of a press release, with quotations from the rules and regulations. The time for employees to file expired Dec. 15 and employers are urged to get busy on those that have not filed.

Late News from the Casualty Field

Bars Guest Cover Evidence in Bay State Rate Hearing

BOSTON, Dec. 16.—There was little progress in the hearing on the proposed 1937 automobile liability insurance rates before a master the past week.

While Miss L. B. Carleton, actuary of the department, was on the stand, the master, on objection of companies' counsel, refused to allow her to put in evidence on preparation of guest coverage charges. One of the contentions for lower rates has been that with the guest coverage removed from the compulsory act the companies had been relieved of some of their burden of cost. The guest charge was removed by the legislature last year, but the commissioner published a schedule for such charge later.

The master declared that inasmuch as the guest charge was not a part of the schedule of rates under the compulsory law which he was appointed to determine, he would exclude the subject, at least until later when, if shown to be pertinent, he might entertain further consideration of the matter.

Commissioner DeCelles explained his procedure and reasons in making up the 1937 rate formula. He testified as to his investigation of company estimates for outstanding claims, which he charged were 10 percent too high, and told why he discarded the two-year loss level factor. He said the reasons for adoption of this factor in 1931-32 in his judgment had disappeared.

He mentioned especially lessened congestion, and the fact that 1935 for the first time reflected the full effect of the consequential act and passing of the Model T Ford.

K. H. O'Leary told briefly of his examination of companies to ascertain adequacy of unpaid loss reserve.

Commissioner DeCelles has sent an informal request to companies to specify on a blank to be furnished assured what are the reasons for refusing to write under the compulsory law in case the application is rejected. He called for return of the blank by the assured to the commissioner. In case companies decline to follow the plan, Mr. DeCelles stated he would refer the matter to the board of appeals for hearing.

Appeal Pacific Mutual Order

Notice of appeal from the decision given Dec. 4 by Judge Willis in the Pacific Mutual Life case has been filed by Attorney W. H. Neblett, naming Commissioner Carpenter, officials of the company and 41 intervenors. Another angle was the action of deputy district attorneys in presenting to the Los Angeles county grand jury new evidence having to do with former Pacific Mutual officials, said to have been obtained from examination of financial records of certain San Francisco firms' transactions.

Lumbermen's Mutual to Build

The Lumbermen's Mutual Casualty will start razing operations shortly after the first of the year on the Winston apartments, Michigan and Chicago avenues, Chicago. Plans have not been announced for the succeeding structure, but the property was purchased in 1934 at \$400,000 as a home office site.

J. S. Kemper, president, said the company is considering erecting an office building, or possibly a "taxpayer" or a building just for advertising purposes. The buildings to be wrecked include three six-story and one five-story structure, built about 40 years ago. They have been a Chicago landmark.

The National Fire Protection Association board will hold its mid-winter meeting in Atlantic City, Jan. 16.

Features Studied of New 6 Percent Financing Scheme

Those who have been studying the new 6 percent simple interest premium financing plan of the First Bancredit Corporation are impressed with the fact that it gives the assured, under certain circumstances, an opportunity to purchase an annual policy for a pro rata portion of the term rate.

Under this new plan, an assured, in purchasing a three-year term policy, pays within 20 days from the effective date of the policy, out of his own pocket, one-third of the term rate. There is no financing charge added to the initial premium. At the end of the first year, the assured pays an amount equivalent to another one-third of the three year term rate, plus 6 percent interest on two-thirds of the premium for the three year term. Then at the end of the second year, he pays another one-third of the term premium, plus 6 percent interest on one-third of the term premium.

End of the First Year

The point is made that an assured at the end of the first year might fail to pay the second installment. Then under the new plan the finance company would declare the entire balance due and payable and the insurance company would cancel, making the pro rata return to the finance company. The assured would have had one year's insurance for one-third of the term rate.

The answer to the finance company is that an assured might do this on one occasion, but he could not do it again, because the finance company would refuse to finance another premium for him, and the insurance company would probably refuse to insure him again.

The new financing arrangement is being rather warmly received by a good many companies and field men. The plan is only available for the financing of premiums of those insurance companies that have made a contract with the First Bancredit. In this contract, the insurer agrees that the finance company stands in the shoes of the assured and that if the assured does not pay his installment to the finance company, then cancellation will take place on the initiative of the insurer and the finance company will be entitled to a refund of the unearned premium on a pro rata basis.

Sees Plan as Sales Boost

The finance company believes that the plan will greatly change the manner of doing business. They say that it gives the agent a good opportunity to talk terms when he has completed a sale. The agent can ask whether the assured desires to pay the premium in installments under the finance plan or to pay cash. The finance company believes that by making this business-like statement, the assured who does not desire to use the finance plan will be much prompter in his cash payments to the agents.

The finance company also believes the plan will be a sales stimulator, in that assured who are paying their premiums monthly can be more easily persuaded to add to their line of protection, when the cost is reduced to rather small monthly payments than if the cost were quoted in terms of rather large annual premiums.

The National Bureau of Casualty & Surety Underwriters is meeting this week to rescind its rule against returning premiums on a pro rata basis where a finance company is involved. Some of the casualty companies desire to make a deal with First Bancredit on the 6 percent plan.

Warner on Fair Committee

Harold Warner, United States manager of the Royal-Liverpool group, has been appointed a member of the insurance advisory committee of the New York World's Fair, 1939.

Side Line Sales Stressed in Cincinnati Fire Congress

(CONTINUED FROM PAGE 4)

fixtures and equipment. He would also have to use express instead of freight, in all probability, which would be more expensive. U. & O. will cover any extra expenses entailed in the readjustment period.

With a fireproof building, the property damage loss may be small but the business interruption loss very large. For example, a small fire loss may interrupt elevator service. A coinsurance form is the best plan since it expands or contracts with the business like a rubber band. It was argued that the agreed amount endorsement takes the place of the coinsurance clause. Mr. Smith said that Mr. Slawson need not be over-insured. For a 5 percent additional premium he could file annually with the rating bureau. Mr. Slawson said that he wouldn't care to call in an outside auditor. Under the "full amount clause" if the figures are correct as filed with the rating bureau, there would be no penalty. Mr. Smith worked out the following proposal for Mr. Slawson:

Total income.....	\$250,000
Raw stock.....	150,000
Gross earnings.....	\$100,000
Ordinary payroll.....	50,000
Light, heat and power.....	5,000
Total earnings.....	\$ 45,000

Details of Plan

Allowing for a 20 percent increase in cost of goods, the total U. & O. coverage would be \$54,000; 80 percent of \$54,000 is \$43,200. In Mr. Slawson's case there was no 6 months in which as much as 80 percent of the total earnings occurred, his business making 35 percent of the year's profits in March, April, and May, breaking even in January, February, and June, losing 5 percent in July and August, and making 75 percent of the year's profits in the period from September to December.

The fire rate is 21 cents, the supplemental contract coverage .026 cents, a total of 23.6 cents per \$100. Multiplying by 432, the premium is \$101.95, or less than 34 cents a day U. & O. cost, the policy being written without an agreed amount clause and a check being made with the bookkeeper on values every 90 days.

Selling is nothing more than a personality plus a process, declared G. D. Randolph, general agent New England Mutual Life, Cincinnati, who presented the views of an "outsider."

The big fault with the man who works on a commission basis is that he doesn't have sufficient information about his prospect, Mr. Randolph stated. The agent must know the economics of his own selling and he must have a "boss." "How much money do I need?" and "How much effort do I have to put out?" are questions every salesman should ask himself. The agent should determine his average commissions for a year and find out just what every call is worth to him in commissions. In this way he may determine the number of calls and interviews he must make within a given period to make a sufficient income to maintain his standard of living.

In getting a prospect, an agent must have his name and as much more personal information as possible, said Mr. Randolph. An introduction by a mutual friend is desirable. After the agent obtains as much information as he can before the interview, he finds out in conversing with the prospect the necessary information to present a proposal fitting his insurance needs and attempt to close. Get a check for the premium immediately, if possible, Mr. Randolph advised.

An introduction is difficult to get, said Mr. Randolph. A good plan is to take a prepared list to a client and have him suggest from the list acquaintances or friends who are prospects. A written proposal is most effective. A mechanical "boss" is effective in forcing a man working on a commission basis to get business. For example, one salesman

Heads the Ticket



JOY LICHTENSTEIN

SAN FRANCISCO, Dec. 16.—Joy Lichtenstein, manager of the Hartford Fire and vice-president of the Fire Underwriters Association of the Pacific, was nominated for president of the latter organization to succeed Harry L. Simpson of the Great American and Phoenix at the annual meeting next February. J. K. Wooley, Washington Surveying & Rating Bureau was nominated for vice-president.

Executive committee nominees in addition to Messrs. Simpson, Lichtenstein and Wooley, and H. B. Mariner, secretary-treasurer, are: Walter Van Orden, Pacific Factory Association; H. F. Mills, Aetna Fire; Thomas H. Anderson, retired; Wallace Kelly, Seaboard; Harry J. Boyle, Fire Companies Adjustment Bureau; Carl N. Homer, Swett & Crawford, and Raymond L. Ellis, Fireman's Fund.

Southern Conference Meets

ATLANTA, Dec. 16.—The Southern Agents Conference held its regular meeting here with Hamilton C. Arnall of Newnan, Ga., in the chair, and about 100 local and special agents present.

The feature of the morning session was the address of F. S. Dauwalter of the Business Development Office, New York, who spoke of the relation of insurance to general business, and discussed the subject of non-stock companies in the insurance business in the south, in connection with regular stock companies.

In the afternoon session Mr. Dauwalter was in session with the committees from Georgia, Alabama and Florida. There were also a number of agents from points in South Carolina and all attending joined in the meeting, which was open to all.

George U. Tompers Dies

George U. Tompers, for a short time some years ago president of the National Liberty Fire, died at his home in Garden City, L. I., Tuesday. He was a leading figure in the chemical manufacturing line, and had numerous corporate affiliations.

will not eat lunch until he obtains an application. Another keeps a miniature dog and dog house on his desk. The dog remains in the house until he makes five calls.

An interesting point, made in nearly every presentation, was the low daily or weekly cost of the policy under consideration. An annual premium appears large to some prospects, but when it is broken down into a weekly or daily cost it is a small cost for the protection the assured has secured.

New Orleans Agents Oppose Pro Rata Cancellation Plan

A resolution to ask the National Association of Insurance Agents to urge companies to end the arrangements they have with premium finance companies for cancelling policies pro rata was adopted by the New Orleans Insurance Exchange with only one dissenting vote. It was reported, however, the proportion of agents in the city agreeing with this action is not nearly so high as indicated by the vote. One dissenting New Orleans agent stated that the agents who fostered and introduced the resolution are officers and directors in a New Orleans premium acceptance corporation. He pointed out that some 150 fire companies have subscribed to pro rata cancellation for the sake of uniformity and in the public interest, as opposed to various plans at higher interest rates with more detail and a heavier charge to the public than is involved in the First Bancredit Corporation plan to which the resolution took exception.

Gist of the Resolution

The resolution states printed literature of companies which have adopted the practice indicate they do not wholeheartedly advocate this but simply permit the plan to be used, possibly because they fear they may lose business otherwise. The resolution states that assured who pay cash premiums and do not finance if they learn of this condition may be induced to finance their premiums and thus reduce the proportion of assured normally paying cash.

Increase in this practice, the resolution stated, would take from local agents their most valuable asset, protection against losing the business and expiration in mid-term through the usual short rate cancellation requirements. The pro rata cancellation arrangement of financing premiums was declared detrimental to the best interests of local agents.

Indiana Department Actuary Urges Retrospective Rating

INDIANAPOLIS, Dec. 16.—At a joint meeting of the Indianapolis Insurance Agents Association and officers and directors of the Indiana Association, Lloyd Thompson, actuary of the Indiana department, explained the retrospective rating plan for compensation insurance. The state association turned the plan down at the annual meeting in Marion in October. The department favors the adoption of the plan in Indiana and Mr. Thompson explained why, answering questions put from the floor. The department has not wanted to put the plan in force in Indiana without attempting to win local agency favor. While no vote was taken at the Tuesday meeting, there were some present who had been converted to the plan, while others still indicated their lack of approval. The general expression of opinion, however, was in the nature of a vote of confidence in the insurance department if it places its approval on the plan for Indiana, which it will most likely do.

Secretary J. W. Stickney of the Indianapolis association reported the results of the straw vote taken recently to determine the numerical and buying power of those in Indianapolis engaged in the sale of stock fire and casualty insurance. Of 131 questionnaires sent out, 93 were returned showing a total of 1,392 individuals with a buying power of \$2,413,745 annually. Extending this on a like ratio to include all thus employed it was estimated that 2,450 persons derive their livelihood from the sale of stock fire and casualty insurance in Indianapolis with an annual buying income of \$4,250,000.

NEW YORK

BOARD ENGINEER HONORED

R. E. Andrews, assistant chief engineer National Board, was made a member of the board's 25-Year Club at a luncheon in New York. He has charge of the board's branch on the Pacific Coast since the branch office in San Francisco was opened.

W. E. Mallalieu, general manager of the board and president of the club, presided. It marked his 36th anniversary with the National Board.

The club members and officials of the New York fire department entertained officers and directors of the International Association of Fire Chiefs at a dinner there this week.

* * *

ELECT BUREAU OFFICERS

John Kremer, vice-president North America, was elected president of the Central Traction & Lighting Bureau, at its annual meeting in New York. Other officers are: J. C. Harding, vice-president Springfield F. & M., vice-president; Montgomery Clark, president Hanover, treasurer; Sumner Rhoades, secretary. Executive committee members are: C. L. Miller, vice-president National of Hartford, chairman; B. M. Culver, president America Fore; H. A. Clark, vice-president Firemen's; H. S. Poole, secretary Home; A. R. Phillips, vice-president Great American; F. Minot Blake, vice-president Phoenix of Hartford; James Wyper, vice-president Hartford; Louis Wiederhold, Jr., secretary Middle Department Rating Association; Ray Decker, Pacific Coast manager Royal-Liverpool group; H. N. Pye, southeastern Underwriters Association, and R. D. Hobbs, manager Western Actuarial Bureau.

The Central Traction & Lighting Bureau is not a rating organization, its function being to contact public utility interests and to recommend to rating bodies throughout the country schedules tending to uniformity of charges on risks of like character.

* * *

ILLEGAL COMMISSIONS BARRED

The committee on deviation of the New York Fire Insurance Rating Organization has notified members that it is against the rules to allow commissions on unidentified or grouped policies to agents who have not written these contracts. Immediate discontinuance was ordered.

* * *

INSURANCE ACCOUNTANTS ELECT

The Insurance Accountants Association of New York reelected A. R. Matthews of the Pacific Fire president, and gave new terms to all the other officers. Vice-presidents are E. L. Cofill, Hanover; E. S. Stryker, Firemen's; F. W. Maasen, London Assurance, treasurer; E. G. Crapser, Pacific Fire, secretary. R. C. Ratcliffe, Newark Fire, replaced John Koenig of the Royal Exchange. Other committee members are E. P. Smith, Norwich Union Fire; F. H. Bigge, Yorkshire; C. W. Makin, Camden Fire; R. C. Angus, Northern Assurance, and F. R. Scott, New York Underwriters.

Printing of Revised Code for Illinois Is Delayed

The committee of the Illinois Bar Association, which has been engaged in redrafting the proposed Illinois insurance code, was not able to get the revised material into the hands of the printer in time to have copies available on Dec. 15, as they anticipated. Harry Moser of the Chicago law firm of Sonnenschein, Berkson, Lautmann, Levinson & Morse, who is chairman of the committee, states that the printer will probably be able to start mailing copies of the code next Monday. The committee has been working feverishly the last few days to put on the finishing

touches. They had a session beginning early Saturday afternoon and running to midnight and they went into session again Sunday morning and kept going until midnight.

The printer, Homer Landau & Co., 458 East Thirtieth street, Chicago, is taking orders for copies of the code at \$1. For \$1.50, the printer will furnish a copy of the preliminary draft and a pamphlet showing the changes from that draft as the code is finally introduced in the legislature.

The printer states that the committee will be willing to receive suggestions and criticism until Jan. 1. Then the code will be put in its final form.

Six Rating Bureau Heads Trained by C. T. Ingalls

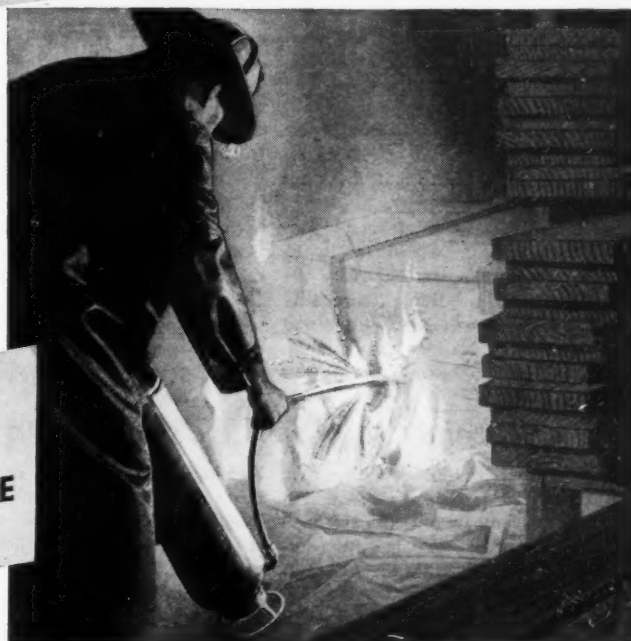
OKLAHOMA CITY, Dec. 16.—W. S. Bizzell, just appointed manager of the Louisiana Rating & Fire Prevention Bureau, is the sixth graduate of the Oklahoma Inspection Bureau promoted to the management of bureaus of other state or regional organizations. This group, trained under C. T. Ingalls, manager of the Oklahoma bureau, includes R. D. Hobbs, manager Western Actuarial Bureau, Chicago; George H.

Parker, manager Kentucky Actuarial Bureau; W. C. Hodges, manager Kansas Inspection Bureau; Lloyd T. Wheeler, manager Southeastern Underwriters Association; W. W. Sampson, manager Mississippi Rating Bureau, and Mr. Bizzell.

Mr. Ingalls has been in charge of the Oklahoma bureau since long before statehood. He is recognized as one of the best informed men on fire insurance rating matters in the business, and his ability to transmit this information to the men working under him is amply evidenced by the records they have made. He has been not only an executive but an educational institution.

AERO ALARM SAVES VALUABLE STOCK

MILLWORK ONLY FIVE FEET FROM BLAZE ESCAPES UNDAMAGED



At 1:50 a. m. on October 21, the A.D.T. Central Station in Buffalo received an alarm from the Aero Automatic Fire Alarm System at a large lumber plant. * The fire department was immediately dispatched, and found the fire in a paint shop on the second floor. So speedy was Aero's action that only a chemical hand extinguisher was needed to extinguish the blaze.

A stock of finished millwork valued at several thousand dollars, stored less than five feet away, would unquestionably have been destroyed had there been as much as a minute's delay in detecting and report-

ing this blaze. As it was, the millwork was untouched by the flames, and total damages were placed at less than thirty-five dollars.

By automatically detecting and reporting fire in its incipency, the A.D.T. Aero Automatic Fire Alarm System summons the fire department to the scene in time to keep damages to the minimum. The effectiveness of Aero is proved by its performance record—less than three cents loss per hundred dollars of insurable values is the average during the past ten years in Aero protected properties.

*Name and complete details available upon request.

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EDITORIAL COMMENT

On the Wrong Track

FEDERAL supervision of insurance would not be more free from political influence than state supervision. National banks fail as well as state banks. Federal supervision of insurance holds no promise of a cure of the conditions which resulted in the failure of a small number of insurance companies. On the contrary, insurance, under state supervision, presents a record of far greater stability than national banks, under federal supervision. In life insurance, at least, the salvage to policyholders in the few failures has been greater on the whole than the salvage to depositors in failed national banks.

The SABATH investigating committee of CONGRESS rather clearly intends to present a report in favor of federal supervision of insurance. So far as effectiveness is concerned, this would mean only a 49th department, or a 50th, if the DISTRICT OF COLUMBIA department was continued.

Supervision is not the whole answer to the evils which brought about failures in the insurance business. The criminal laws should be strengthened. Very few manipulators of insurance companies have gone to jail for their crimes.

It may be that more stringent protection of the mails would reach the criminal fringe not now reached by the supervisory system. Some criminality escapes punishment in both public and private business. National banks with all their supervision suffer crime losses.

In addition to the watchfulness of supervision there is needed an effective penalty on those who would otherwise be safe if they could fool the supervising authorities.

The difficulty of punishing criminal operations across state lines points to the desirability of invoking a power that extends throughout the country. Unfortunately the federal power is limited to very narrow fields. Control over the mails does not reach the criminality that is carried on in personal contacts, through messengers or by telephone. The racketeers who do the harm seldom have any contact with the normal and honest operations of the company. Denial of the use of the mails would instantly destroy an insurance company, especially a life insurance company, with complete loss of policyholders' interest. Yet under any law attempting to govern operations by licensing the use of the mails, business would have to be stopped instantly if the officers learned of stock juggling by men entirely beyond their control. It is against sound principle to destroy the innocent for the offenses of others.

What the SABATH committee overlooks is that the states have strengthened their insurance laws, so that the practices which wrecked several companies can now be stopped. Extension of the federal securities law to insurance would stop the stock jobbing, while changes already made in state laws will protect the assets of companies.

Receivership Still Has Its Place

THIS idea of rehabilitating rather than resorting to old fashioned receivership for insurance companies that developed during the depression and has been applied so successfully with the GLOBE & RUTGERS FIRE, NATIONAL SURETY, PACIFIC MUTUAL, MISSOURI STATE and two or three fundamentally worth while institutions should not cause state officials and courts to believe that old fashioned receivership procedure does not still have its place and is frequently preferable to rehabilitation. As a matter of fact, the rehabilitation procedure applied to worthless and rotten outfits may very likely bring the principle of rehabilitation into dispute. Nothing is to be gained and only injury can come by perpetuating a venal operator. Reorganization and rehabilitation of a bankrupt concern that has been pursuing notoriously unsound and shady practices does not mean that the management thereafter will reform, become cleansed and operate along sound,

high-minded lines. It is more likely to mean that the management, given a new lease of life, will become emboldened, contemptuous of state authority and will cause new sorrow.

There is developing in this country at the present some very questionable operations in the "easy" premium field. That is, people that are not insurance-minded are getting into the business and are writing outrageously unprofitable lines that command large premiums, obviously with little thought of the future. The promoters see an opportunity to convert a good part of these premiums to their personal accounts for perhaps two or three years and create an impression of solvency by fighting off claims and otherwise pushing future obligations as far into the future as possible. The sooner these operators are exposed and put definitely out of business, at least, the better for the insurance business, the assured and the public.

The insurance departments should not overlook any opportunity to step in and exercise their authority. They should invoke the old fashioned receivership procedure just as soon as a case can be

made and they should not be persuaded to apply any sort of rehabilitation procedure which would prolong the days of concerns that are unworthy and irresponsible.

Open Covenants Openly Arrived At

PRESIDENT WOODROW WILSON assumed leadership in protest against secret treaties among nations. He realized the danger of pacts consummated behind closed doors and therefore unknown to the people.

There are occasions when it is eminently necessary for business organizations to have executive sessions but the closed meeting has often been clothed with impenetrable mystery, its issues exaggerated or misjudged and reports of the proceedings distorted. Where a trade organization is confronted with outside competition that would take advantage of information gained, executive meetings are essential.

There are some bodies where the secret meeting is not necessary at all times, this being true for instance with the NATIONAL ASSOCIATION OF INSURANCE

COMMISSIONERS. It has adopted the executive session procedure largely due to the thought that with the "third house" present, officials would hesitate to express themselves and fear the displeasure that might be incurred. President ERNEST PALMER at the HOT SPRINGS meeting urged the open session program for even highly controversial issues, the convention examination plan as revised, for example. He felt that much more good could be accomplished by open and frank discussion. Undoubtedly he believed also the "third house" would be better informed and instructed by listening to the deliberations.

Such was the case and the change was highly successful. It is a move of importance and serves to lift the veil of mystery. It should be continued.

PERSONAL SIDE OF BUSINESS

J. W. Longnecker, editor of the "Hartford Agent," published by the Hartford Fire and the Hartford Accident, has been elected president of the Stamp Collectors Club of Hartford, one of New England's leading stamp clubs. Organized in 1909, it now has more than 100 members. Many men connected with Hartford insurance companies are active in stamp club affairs and are ardent collectors.

Frank J. Grube, special agent Northern Assurance at Seattle, died suddenly from a heart attack while on an agency trip to Everett, Wash. He had been identified with fire insurance on the Pacific Coast for a number of years. Before joining the Northern in 1935 he was with the Pacific National Fire at San Francisco.

Carl P. Daniel of the Daniel & Henry agency of St. Louis has been elected president of the Algonquin Golf Club.

Frank B. Harris of the Harris, Burns & Co. agency, former president of the Wichita Insurers, has been appointed secretary of the Wichita Consistory of Scottish Rite Masonry, but will continue his agency connection, for the present at least. Mr. Harris, a trustee of the Wichita consistory for several years, has been active in many Masonic bodies for 35 years and is a past potentate of Midian Shrine of Wichita.

The Equitable Fire & Marine of Providence, a member of the Phoenix of Hartford group, has issued an attractive 28-page booklet reviewing the highlights of its history. These are treated under the headings of Background, Development, and Renaissance.

Pictures of its well-known figures of the past include T. G. Turner, president from 1859 to 1875, and for two years a governor of Rhode Island; F. W. Ar-

nold, president from 1875 to 1921; John B. Knox, president from 1923 to 1928, and employees including James E. Tillinghast, Herbert E. Maxson, Herbert Boutell, Joseph Murdy, Louis Saunders, Louis F. Johnson and Stephen Miller. Likenesses of present leaders of the company, President Edward Milligan and Secretary Joseph L. Price, complete the pictorial history.

The typed pages tell the story of the Equitable in a lively and fascinating way. Mechanically, the booklet is a striking piece of the printing art. It was prepared for publication by John M. Ashmead, advertising director.

After commuting 150 miles more or less regularly for the past two years, Commissioner Frank Yetka of Minnesota has purchased a home near St. Paul and it is understood will move his family there. His home is now at Cloquet, Minn.

Frank G. Herman, who retired several years ago after serving for many years as Indiana state agent of the Agricultural, has been appointed secretary-manager of the Merchants & Manufacturers Insurance Bureau of Indianapolis, succeeded the late Louis H. Wolff, who died several months ago. Mr. Herman has continued to make his home in Indianapolis since his retirement and took up his new duties Monday.

R. J. Dunkle, senior partner of O'Brien, Russell & Co., was tendered a dinner by prominent Boston insurance men on his 66th birthday and in observance of 45 years in the insurance business. Bayard Tuckerman, Jr., a partner of Mr. Dunkle, was toastmaster. Among those present were E. C. Stone, United States general manager Employers group; Vice-president F. D. Crutten, Springfield Fire & Marine; Harold



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Warner, United States manager Royal-Liverpool groups; President W. R. Hedge of the Boston and Old Colony; Henry Read, New York manager North America, and Walter Bernecke of the John C. Paige & Co. of Boston. About 70 attended.

W. H. Lininger, vice-president in the western department of the Springfield, has gone to Tucson, Ariz., to be with his son, Homer D. Lininger, who operates the "Lodge on the Desert," for the holidays. Herbert Lininger, Oklahoma state agent for the Springfield, will also go to Tucson for the holidays.

Charles F. Thomas of Chicago, manager of the Western Underwriters Association, who has been vacationing in Texas, has now headed southward into Mexico and will return to Chicago some time after Christmas.

Mr. Thomas is motoring with his family to Mexico City. He shipped his car from Chicago to Oklahoma City and for several weeks has been in the southwest.

H. O. Tinklepaugh, new president Kansas Association of Insurance Agents and member of the Tinklepaugh & Lind agency of Kansas City, Kan., was presented a leather brief case at a party attended by about 100 local agents and field men in that city.

T. R. Fletcher, assistant secretary Scottish Union, has returned to the company's United States head office in Hartford after a short trip to the middle west. He visited Chicago and Omaha.

John A. Hartigan, St. Paul, agency inspector Equitable Life of New York, who never fails to attend the meetings of the insurance commissioners, was absent from the gathering at Hot Springs, Ark., due to the fact that he has been laid up for some five weeks in St. Joseph's Hospital at St. Paul with general septicemia. It will probably be two or three weeks more before he can get out.

J. P. Hershberger of Columbus, Ohio state agent of the Royal, was in Birmingham, Ala., this week to participate in the installation of the officers of the Gyro Club of that city. Mr. Hershberger is director of District No. 1 of Gyro, which includes Ohio and other states.

George F. Kessberger, adjuster for the Hartford Fire, suffered a slight stroke last week and is confined at his home, 814 Burlingame avenue, Detroit.

R. L. Rumbaugh of Chicago, manager of the Western Sprinkled Risk Association, who was confined to his home with illness for about three months, is now able to be at the office for a time each day.

Two Little Rock general agents have been given additional terms on the board of the Federal Home Loan Bank there, which operates in Arkansas, Louisiana, Texas and New Mexico. They are **J. Gilbert Leigh**, president of L. B. Leigh & Co., and **Gordon H. Campbell**, general agent Aetna Life. Mr. Leigh is chairman of the board.

Mrs. Leila D. Bailey of East Orange, N. J., wife of **W. M. Bailey**, manager of the American Insurance building in Newark, died in the latter city. Services were held in Newark. Mr. Bailey is a brother of **C. W. Bailey**, chairman of the board of the American group.

Miss Margaret Crawford of New York City, daughter of **William S. Crawford**, insurance editor of the New York "Journal of Commerce," was married Saturday in St. John the Divine to George M. Spowls of Akron, O., who is highway manager of the Goodyear Tire & Rubber Co. She has been connected with the "Cosmopolitan" magazine and other Hearst publications. Mr. and Mrs.

Spowls will reside at 909 Herford Drive in Akron. The bride returns close to her ancestral acres as she was born and raised as a young girl at Cuyahoga Falls, O., which is nine miles from Akron.

William Rodiek, Jr., St. Louis local agent, will sail from New York City on the steamer *Stattendam* for a cruise of the West Indies, Central America and the Canal Zone. He will return Jan. 3.

Walter W. Head, president of the General American Life, has been re-elected a director of the St. Louis Chamber of Commerce. **Charles H. Morrill**

of W. H. Markham & Co., was renamed a member of the chamber's executive committee.

Isadore Samuels, general agent New England Mutual Life, has been elected president of the Denver Community Chest. He succeeds **Herbert Fairall**, Denver local agent, who becomes chairman of the board.

Arthur Young, for many years connected with the America Fore group in Texas, died in an Austin hospital.

Felix Kurz, vice-president of the General of Seattle, spent several days in

Chicago conferring with field men and agents. He made his headquarters at the Miles & Miles agency. He was on his way home from a trip to New York.

C. D. Lasher in New York

NEW YORK, Dec. 16.—C. D. Lasher, newly appointed Pacific Coast manager of the Home of New York group, is in this city this week getting tuned up for his new work at San Francisco. He and Mrs. Lasher will give up their apartment at Evanston, Ill., early in January and will leave at once for San Francisco. Mr. Lasher has been general manager at Chicago.

AT this season of the year, when
the holiday spirit prevails, we
wish our friends and the insurance
fraternity generally—

A Merry Christmas

Do Business with a Strong American Stock Company Operating Through Responsible Agents

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OF NEW HAVEN, CONNECTICUT

PACIFIC DEPT.
SAN FRANCISCO, CAL.

The Connecticut
Indemnity Company
NEW HAVEN, CONNECTICUT

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Nebraska Tax Is Knocked Out

Supreme Court Sustains Ruling That Levy for Firemen's Pensions Is Unconstitutional

LINCOLN, NEB., Dec. 16.—The Nebraska supreme court sustained the district court in holding unconstitutional the 1935 act levying 2 percent tax on fire insurance premiums collected in incorporated cities and villages. The tax, it was estimated, would have cost the companies in excess of \$100,000 a year. Proceeds were to constitute a firemen's pension fund.

Assistant Attorney General Stubbs, who appeared for the state, said he probably will not file a motion for rehearing, although one might be filed by the attorney who appeared for the Omaha firemen or by the city attorney of Omaha. No collections have ever been attempted as the Continental enjoined the insurance director from utilizing the provision in the law that would have cancelled the license of any company refusing to pay the tax. It is announced that Omaha firemen have levied an assessment of \$10 on each member to raise a fund to lobby through a substitute bill, as they did with the invalidated act.

The court said the only basis for classification is the fact that fire insurance companies derive a direct benefit from the maintenance of departments by cities and villages, but that the law violates the constitutional requirement that classifications for purposes of taxation must be based on real and substantial differences in situation and circumstances surrounding the members of the class and must operate uniformly on every member.

It points out that many property owners in cities and villages carry no insurance and others less than the real value of their holdings. In addition most property owned by political subdivisions carries no insurance, and there is always present in large fires a hazard to the persons of residents. There can be no question, the court says, that a fire department owes the same duty toward all combustible property within

the municipality, and no greater duty toward that which carries full insurable coverage than all others. If the state can tax the companies for the purposes of this act, it can also compel them to pay all expenses of fire departments. In the absence of some real and substantial distinction which bears a reasonable, just and proper relation to the objects sought to be accomplished, a tax levied on a part of those within the same class cannot be sustained.

School Cover Is on Tax Basis

Lansing Board of Education Places Insurance Through Local Association by New Method

LANSING, MICH., Dec. 16.—The Lansing board of education has awarded insurance on school buildings for the coming three-year term on a new basis, taking into consideration the taxes paid by the various agencies and their respective business volumes. The expiring coverage had been placed through the Lansing Association of Insurance Agents and apportioned by the association largely on a volume of business basis.

The total amount of the insurance is \$4,160,935, representing a reduction of approximately 5 percent. The new premium is slightly under \$10,000, the average rate having been reduced from 26 cents to 19 cents by operation of the new schedules for fireproof construction. Insurance on contents amounts to \$73,150. All of the building coverage is placed on a 90 percent coinsurance basis.

Division by Agencies

The division of business among the various agencies, most of which are association members, follows:

J. W. Bailey agency, \$400,000; E. J. Carroll, \$150,000; Herbert G. Cooper, \$100,000; Dyer-Jenison-Barry and Lansing Insurance agency, \$663,629 (plus \$121,823 on new Thomas street school as required during progress of construction); C. L. Fratcher Company, \$125,000; Hacker-King-Sherry agency, \$100,000; Real Estate Investment Co., \$225,000; George A. Hutchinson, \$50,000; Fred C. Jenison agency, \$150,000; John F. Kirker agency, \$35,000; J. P. Kittel agency, \$35,000; Emil G. Lambertson agency, \$35,000; Lamoreaux, Inc., \$45,000; J. P. Leatherman, \$100,000 (with provision that half commission shall go to W. S. Carpenter); R. A. Mosher, \$35,000; Mourer Insurance Agency, \$35,000; J. J. Richards, \$50,000; Rider-LeBuda agency, \$75,000; Rouse Insurance Agency, \$150,000; A. A. Smith agency, \$75,000; Clyde B. Smith, \$500,000; Robert C. Stratton, Inc., \$175,000; Ray Throop agency, \$35,000; Ray I. Waller, \$35,000; Curtice Smith agency, \$50,000; Wolverine Insurance Company, \$250,000; George H. Tibbets agency, \$32,306; and Mill Mutuals agency, \$450,000.

Wisconsin Mutuals Rename Officers at Annual Meet

MILWAUKEE, Dec. 16.—Officers and directors were reelected at the annual meeting of the Wisconsin Association of Mutual Insurance Companies. They are: Henry Weihbrecht, Badger Mutual Fire, Milwaukee, president; August Fuge, West Bend Mutual Fire, West Bend, vice-president; Theodore Schmidt, Kewaskum Limited Mutual, Kewaskum, secretary-treasurer; H. U. Brown, Hardware Dealers Mutual Fire, Stevens Point, and Messrs. Weihbrecht and Schmidt, directors.

Messrs. Brown and Weihbrecht were nominated to represent mutuals on the

Honored by Security for 25 Years Representation



JOHN S. CUTTER

John S. Cutter, secretary of the Iowa Association of Insurance Agents, who has represented the Security of New Haven in Shenandoah, Ia., for 25 years, was guest of honor with Mrs. Cutter at a dinner given by H. Verne Meyers, Waterloo, Ia., state agent of the company, at which he was presented a service certificate. Walter D. Williams, western manager of the Security, who appointed Mr. Cutter, had hoped to make the presentation, but had to be at the home office.

governing committee of the Wisconsin Fire Insurance Rating Bureau. George Jacobs, Citizens Mutual Fire, Janesville, was reelected to represent the association on the board of the Wisconsin Mutual Insurance Alliance. The association is composed of general writing mutuals, while the alliance consists of representatives of city and town fire and casualty, and farm mutuals.

Prospective legislation was discussed and a defensive program was favored, according to President Weihbrecht. Favorable reports of increasing business and reduced fire losses were made by those in attendance. No outside speakers were on the program.

Agents to Ask More Funds for Minnesota Department

ST. PAUL, Dec. 16.—The 1937 Minnesota legislature will be asked by insurance men of the state to increase the annual appropriation for the insurance department. The request will be backed by the Minnesota Association of Insurance Agents, which feels that the department is handicapped in its work by the \$45,000 fund provided for it.

Inasmuch as the department turns into the state treasurer each year upward of \$1,500,000 in fees and taxes, the association feels that the state can well afford to give it a larger appropriation. It is possible the request will be for \$100,000 annually, although the specific amount favored has not been determined as yet.

S. C. Aldridge, president of the state association, said that with a larger fund at its disposal each year the department would be in a better position to carry on its work in behalf of the public as well as the insurance men.

Another bill that will have the state association support is an agents' quali-

fication measure. This bill is now being worked out by representatives of the association and the insurance department will be based largely on the results brought out in the recent questionnaire sent to all agents in the state. Armand Harris, St. Paul, is chairman of the legislative committee of the state association.

Building Called Dangerous

CANTON, O., Dec. 16.—The chamber of commerce has received a report of its committee that went over the fire hazards and other features of the municipal auditorium, part of the report being based on an informal survey made by National Fire Protection Association engineers last summer. The building was branded as possessing many features involving serious hazards to life, including large amount of combustible construction, tortuous exits, lack of automatic sprinklers, occasional use of combustible machinery and a motion picture projection booth without vents. The committee will seek action by the city to eliminate these hazards.

Hail Fund Still Collecting

PIERRE, S. D., Dec. 16.—The South Dakota state hail fund which ceased to write business in 1933 still owes the state soldiers' compensation board \$265,000 which it borrowed. Although the hail fund has a book balance of \$89,802, payments are slow on the unpaid premium accounts which make up its assets, \$308,873 being due on unpaid premiums for 1931 and prior years and \$43,284 being due in 1932 and 1933.

Wichita Losses High

WICHITA, KAN., Dec. 16.—The 1936 fire loss in Wichita will be at least 66 2/3 percent higher than 1935, according to present indications, with a per capita loss of around \$1.40. Fire alarms are nearly double 1935, largely due to a 300 percent increase in "grass fires" as a result of the dry weather.

Following six years of consecutive low losses, during which the per capita loss has averaged around \$0.81, the increase is disappointing, but not unexpected.

Offers City Blanket Policy

DES MOINES, Dec. 16.—The Des Moines Underwriters Association has offered the Des Moines city council a blanket insurance policy covering the entire group of municipal buildings against damage by fire, wind, explosion, riot and civil commotion, for a premium of approximately \$2,101 annually. This covers 80 percent of the \$1,458,975 value of such buildings, but is not offered on contents.

The protection offered is about 30 times that now carried by the city on an annual premium of \$625. The city now carries only \$10,000 insurance on the municipal library, which contains 445,000 books—about 2 1/4 cents insurance per book.

The council agreed to study the proposal and make a decision later.

Discuss Sheboygan County Cover

SHEBOYGAN, WIS., Dec. 16.—The perennial question of placing insurance on county buildings was revived at a meeting of the Sheboygan county board of supervisors. The committee on public property had recommended that the resolution adopted in 1934, providing for placing such insurance with local

POSITION WANTED

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Lift up your premium income. With our help. Here are some examples of sales promotion aid we are sending to our agents: sales letters that snap the reader to concentrated attention—brilliant, original folders that make a prospect actively re-active—small newspaper ads that thrust the rest of the printed page aside—window displays that call an abrupt "halt!" to the passer-by—a monthly magazine which is a handbook for aggressive selling and a downright inspiration. They are yours for the asking, together with the alert service of our field men and our Sales Promotion Department—if you are our agent. Our booklet "Planned Progress" gives all the facts. Write for it!

BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY
87 Kilby Street, Boston, Massachusetts

agents of stock and mutual companies, be complied with. There was some sentiment, however, for placing fire insurance on the Rocky Knoll tuberculosis sanatorium with the state fund. Representatives of the Sheboygan Board and of the Sheboygan County Insurance Agents Association, the latter including mutual agents, protested against the unfair competition of the state fund and argued that county business be placed with local agents. The supervisors finally passed a resolution to allow the trustees of the sanatorium to place the insurance as they desired on expiration of present policies.

Becomes L. E. Ellis & Co.

L. E. Ellis, president of the Ellis & McKinney Co., Des Moines general agency, announces that effective Jan. 1 the name will be changed to L. E. Ellis & Co. Mr. Ellis will continue as president; H. G. Zimmerman, secretary, and Mrs. Voris, assistant secretary.

Mr. Ellis has been in the business nearly 42 years. Mr. Zimmerman, a former deputy fire marshal, local agent and field man, became associated with Mr. Ellis in 1927.

Plan Gas Transport Regulation

TOPEKA, Dec. 16.—The hazard of gasoline transport trucks on the highways was again forcibly brought to public attention when the train carrying Governor Landon of Kansas struck a transport near Pittsburg, Kan. The driver was killed and the transport burned. Damage to the locomotive delayed the train several hours, forcing the governor to continue his trip by automobile. Backed by the Kansas League of Municipalities and numerous fire chiefs and fire prevention organizations, a proposed law regulating transports is expected to receive favorable consideration by the Kansas legislature in January.

Change in Hutchinson Agency

Joe McGuire has purchased the Jesse R. Saunders agency, Hutchinson, Kan., with which he has been connected for some years, and changed the name to the McGuire Insurance Agency. Mr. Saunders will continue with the agency.

Club Sees Football Movie

MINNEAPOLIS, Dec. 16.—Motion pictures of the University of Minnesota football team featured the meeting of the Insurance Club of Minneapolis Monday. It was a luncheon meeting with the program in charge of H. J. Dunn, L. E. Hatlestad, J. O. Linds-kog, R. F. Miller and W. F. Senn.

Push Hutchinson Stock Campaign

In the educational campaign of the Hutchinson (Kan.) Insurance Board to further the cause of stock insurance, a "steering committee" has been appointed by President Monte Webster, of C. E. Long, past president; Wade Patton, secretary Kansas Association of Insurance Agents, and N. N. Kline of the Will S. Thompson agency. It is proposed that the weekly meetings shall continue for several weeks to enable the committee to present fully the stock company data that is being gathered.

Smrha Asks Salary Boost

LINCOLN, NEB., Dec. 16.—But two requests have been filed by Insurance Director Smrha with the state budget director. One is for a restoration of the salary of the director to \$3,600. The last legislature passed a law revising the salaries of all state officers and fixed that of the director at \$3,600 a year. State officials took the matter to court with the result that the law was invalidated, which left the director with only a \$3,200 a year stipend. Mr. Smrha thinks it was the legislative intent to recognize the importance of the office by fixing an appropriate salary. The other request is for an appropriation of \$5,000 for the biennium to finance litigation and investigations.

The attorney general handled all litigation for the department up to the naming of a special attorney for it two years ago, and Mr. Smrha is anxious that funds be available for use for such purposes for the next two years.

Form Brainerd Local Board

BRAINERD, MINN., Dec. 16.—Preliminary organization of a local board in Brainerd has been effected, with G. W. Chadbourne as president and William Opsahl, secretary. The organization will be made permanent at a later meeting and then a movement will be launched to form a re-

gional association in this district. P. H. Ware, secretary, and R. M. Thompson, executive secretary of the Minnesota Association of Insurance Agents, came from Minneapolis to assist in the organization of the local board.

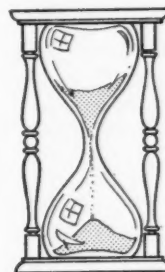
Exempt Commission Agents

COLUMBUS, O., Dec. 16.—The Ohio senate in passing the state unemployment insurance bill adopted a resolution which had been presented by Senator John A. Lloyd on behalf of the Ohio Association of Insurance Agents, of which he is secretary, and other insurance organizations, which provides

that an agency or employment compensated on a commission basis by one or more principals, where the agent or employe is master of his own time and efforts and where his remuneration wholly depends on the amount of effort he chooses to expend, shall be exempt from the provisions of the act.

Smith Buys Agency Interest

J. Frank Smith, who recently resigned as Indiana state agent of the Rhode Island, has purchased a half interest in the Clements Agency in Crawfordsville, Ind. The agency was established in 1887 by Mr. Smith's step-father, John A.



CHANGE... AND ITS BEARING ON YOUR BUSINESS

Serious changes in values occur annually—whether the year be one of prosperity or depression. Man continues to discover and invent. New developments bring new hazards in one form or another. Hence existing values are enhanced or decreased—and new values appear.

This natural progress puts up to all of America's Insurance Agents the problem of sincere and complete service to their clients. It means that they must keep a constant check on customers' needs. It usually means better business for the agent—frequently savings for the customer that increases his satisfaction with his agency service.

But, whatever it does, the duty is there—and in the long run agents profit well by giving unprejudiced assistance, by presenting specific advice on changes in insurance coverage.

The New Year approaches... Probably more than at any time of the year this is an ideal opportunity to contact your customers with a view to improving their protection. Here is a service that marks you as a progressive, thorough agent. Even though you may sell no new policies, this practical attention to individual needs cements to your office the loyalty of your customers.

Start this job now. And may it bring you greater profits for 1937.

Agricultural
Insurance Company,
of Watertown, N.Y.

Empire State
Insurance Company,
of Watertown, N.Y.

EVERY TYPE OF PROPERTY INSURANCE FOR INDUSTRY AND THE HOME

Clements, who has been operating the agency since 1920, is Mr. Smith's half-brother. Mr. Smith entered the agency as a young man and, after 11 years, took a field position and has been traveling in Indiana and Ohio for 17 years. The name of the agency will be changed to the Clements-Smith Corporation.

Much Revaluing of Property

ST. PAUL, Dec. 16.—Reappraising property for insurance purposes is becoming active in this territory. Increasing values of property in the past year or two account for this action. The Zinsmaster Baking Co., one of the largest concerns of the kind in the state, is having some of its plants reappraised, and the Minnesota Canning Co., with plants scattered over several states, is doing the same thing. The town of Buffalo, Minn., has just had its school properties reappraised.

Sizable Losses Suffered

An almost total loss to insurance was suffered in the fire that destroyed the tippie of the Hickory Grove Coal Mining Company at Dugger, Ind. There was \$83,500 insurance on the property and the loss is estimated at \$80,000. U&O coverage was also carried and

there will be a loss under this contract. The insurance was handled by the McKibben & Merrill agency of Terre Haute, Ind., the insurers being the Hartford, Aetna Fire, Springfield, Franklin, New York Underwriters, Employers Fire and Federal Union.

Another sizable fire in the middle west was that which caused a total loss to the high school of school district No. 3 of Minonk, Ill. There was \$48,000 insurance on the building and \$5,000 on the contents.

Berkeley Agency President

CLEVELAND, Dec. 16.—E. B. Berkeley, former vice-president, has been elected president of the Cleveland Insurance Agency to succeed F. B. Owen, who died Oct. 10. Mr. Berkeley had been with the agency and with the Fidelity & Deposit for 26 years.

R. H. Crowell and H. O. Alge were reelected vice-presidents and R. H. Pfeil, former secretary, was named a vice-president. L. W. Theis, former treasurer, is now secretary-treasurer. P. F. Casey, former actuary and chairman of the Ohio industrial commission, is now with the agency as head of its subsidiary organization, the Workmen's Compensation Service Company, which

handles a large amount of actuarial service for state fund and self-insurance risks.

The agency dates back to 1891 when E. Shriver Reese began business in his own name. He was succeeded in 1909 by Mr. Owen.

New Agency in Cleveland

The Edward H. Sutton Insurance Agency of Cleveland has been formed to act as sole agency of the New Jersey in Cuyahoga county. Offices are at 1715 Euclid avenue. The agency has applied for Class I membership in the Insurance Board of Cleveland.

Dayton Association Organized

DAYTON, O., Dec. 16.—The Dayton Association of Insurance Agents has been organized through the efforts of Senator John A. Lloyd, secretary of the Ohio Association of Insurance Agents, who is the acting secretary of the Dayton organization. W. R. Keyes will be chairman at a meeting Jan. 4, when officers will be elected. At a meeting a few days ago C. L. Krum of the Aetna at Cleveland spoke on the problems facing the insurance world. The new association is to be affiliated

with the Ohio Association of Insurance Agents. Efforts in the past to bring Dayton agents together have resulted in failure. The board of governors is to be the directing body, but is not to have the power to impose rules or regulations on its members for the conduct of their business.

Ask Legislators' Aid

WICHITA, KAN., Dec. 16.—The Wichita Insurers are holding their annual Christmas party in connection with the luncheon meeting Thursday. Office employees are invited, an attendance of around 150 being expected.

Sedgwick county members of the Kansas legislature were guests at the last meeting. Following an explanation of the proposed agents licensing bill by Fred Reed, chairman of the legislative committee of the Kansas Association of Insurance Agents, each of the guests was called upon for suggestions that would assist in getting the bill adopted by the legislature. President John H. Burns, Jr., presided. Clarence Burr, state agent Eagle, Star & British Dominions, was also a guest.

Lansing Gets Award

LANSING, MICH., Dec. 16.—On the eve of the second anniversary of the Kerns Hotel fire, in which 31 lives were lost and \$200,000 property damage sustained, the Lansing fire department was presented with the Paxton Mendelssohn fire prevention trophy by the Southeastern Michigan Fire Chiefs Association, for its 56.6 cents per capita loss rate in 1935 and a similar low percentage so far this year. The trophy was awarded not only for the loss ratio, but educational activities and a permanent improvement in the fire department equipment.

New Setup in South Dakota

Miner Shaw of Sioux Falls, vice-president of the South Dakota Association of Insurance Agents, undertakes to dispel the impression that the local agents' association in that state has undergone a reorganization. At the recent annual meeting, important changes in setup were made, but Mr. Shaw states that these did not constitute a real reorganization.

At the recent meeting of the Fire & Casualty Agents Association of South Dakota, a new organization was set up known as the South Dakota Association of Insurance Agents. This latter organization becomes affiliated with the National Association of Insurance Agents. Officers of both associations are identical. The annual dues of the new association are \$8 and include membership in the old organization.

No present change has been made in the setup of the old organization. Membership qualifications remain the same and dues continue to be \$2.

Steps were also taken to organize the Insurance Federation of South Dakota.

Adjusters Hear Underwood

MINNEAPOLIS, Dec. 16.—T. C. Underwood, Chicago, agency superintendent America Fore, addressed a dinner meeting of the Fire Insurance Adjusters Club on "The Supplemental Contract."

Railroad Loss in Manistee

Loss amounting to about \$60,000 was caused in a fire in the roundhouse and paint shop of the Manistee & Northwestern railway at Manistee, Mich. Five locomotives were involved. Insurance was carried in the Railroad Association.

Plan Course for Credit Men

ST. PAUL, Dec. 16.—Credit men for St. Paul wholesale houses, who handle most of the insurance business placed by their firms, have concluded that there is much for them to learn about insurance and they have arranged to take some instruction in it.

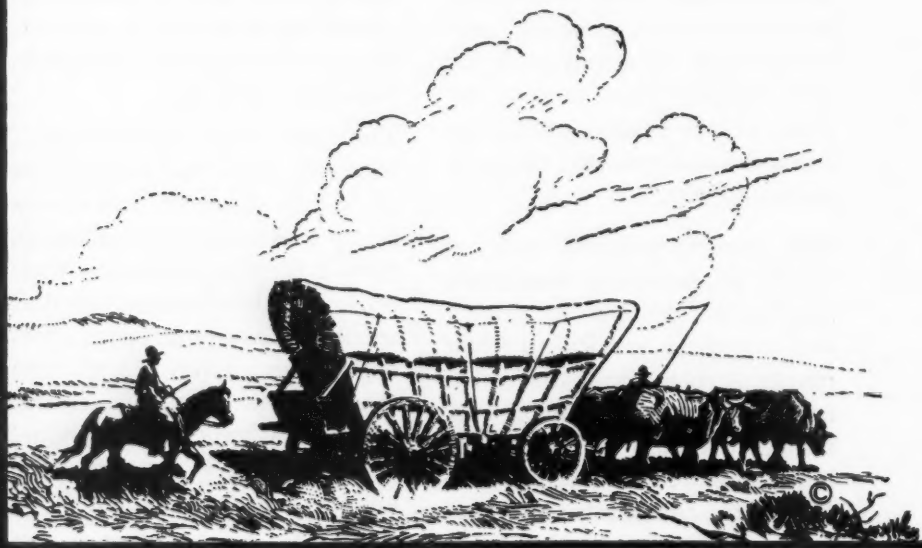
Through the cooperation of the Insurance Exchange of St. Paul the credit men will hear a series of talks on vari-

— AGENTS —

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Geo. G. Bulkley, President

SPRINGFIELD FIRE & MARINE INSURANCE CO. • SPRINGFIELD, MASS.
CONSTITUTION DEPARTMENT • • • • • SPRINGFIELD, MASS.
SENTINEL FIRE INSURANCE COMPANY • • • SPRINGFIELD, MASS.
MICHIGAN FIRE & MARINE INSURANCE COMPANY • DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY • • PITTSFIELD, MASS.

ous phases of insurance given by members of the exchange. R. A. Burns, president of the exchange, has made a preliminary talk to the credit group, outlining what an educational course should include. At the quarterly meeting of the exchange last week Mr. Burns reported on his contacts with the credit men and the plan was enthusiastically approved by the exchange members.

Name Cincinnati Committee

The Cincinnati Fire Underwriters Association's nominating committee is announced by President Theodore Safford consisting of T. T. Bryant, chairman; E. R. Buss, A. M. O'Connell, A. M. Peck, and G. W. Neare. A Christmas party is being held Dec. 17.

Drive on Water Damage

ABERDEEN, S. D., Dec. 16.—Water dripping from a meter burst by intense cold caused more than \$1,000 damage to stock in a women's apparel shop here. It was uninsured. Local agents could not recall anyone having a water damage policy. Now they're out to sell them.

Shea Opens Own Agency

KANSAS CITY, Dec. 16.—Walter E. Heaney, vice-president and secretary of the Shea & McCord agency, has become president, and Henry B. Shea, formerly president, has resigned to open an agency of his own in the Carbide & Carbon building. Mr. Shea has for the past year been president of the Insurance Agents Association of Kansas City.

To Revise Milwaukee By-Laws

MILWAUKEE, Dec. 16.—At the monthly meeting of the Milwaukee Board, H. H. Miller and Freeman Guerin were elected to membership. With the dissolution of the partnership

of Engel-Berg, a certificate was issued to C. L. Berg.

President L. C. Hilgemann appointed a committee on by-laws revision, consisting of Monroe Porth, F. J. Lewis, Ralph Martin, Harold Smith and W. B. Calhoun.

There was some discussion of the status of solicitors and agents under the social security act. President Hilgemann reported that each case will later on be decided on its merits.

St. Paul Women Elect

ST. PAUL, Dec. 16.—Miss Jessie Farquharson, secretary Midway National Insurance Agency, was elected president of the St. Paul Association of Insurance Women, succeeding Mrs. Roy Nienhauser, the organization's first president.

Other officers are: Vice-president, Miss Edith Cooke, W. A. Lang Agency; secretary-treasurer, Lucille Arthur, W. C. Kenney Agency; executive committee, Miss Florence Rogers, Mrs. Wanda Anderson, Miss Marie Glewee, Miss Sofie Krupa and Mrs. Fern Harrington.

The first meeting of the new year will be Jan. 12.

Middle West Notes

Lillian M. Woelfer, Rockford, Ia., has sold her agency to F. M. Weber.

D. J. Hummel, LaPorte City, Ia., has sold his agency to Jesse O. Kober.

W. M. Wade, 72, local agent of Woodward, Ia., died at a Des Moines hospital from spinal meningitis.

The Vetter-Hennle Insurance Agency, Cleveland, has been incorporated by W. I. Krewse, M. G. McGee and J. H. Zinner.

G. H. Guenther of the Hoppe Insurance Agency, Sheboygan, Wis., has been re-elected treasurer of the Pine Hills Country Club of that city.

G. L. Bailey, local agent at 7600 Nuernberg avenue, Detroit, has opened a branch office at 18330 Van Dyke avenue.

Robert C. Stratton, Lansing, Mich., has incorporated his agency.

IN THE SOUTHERN STATES

Oklahoma Allows \$10 a Day for Committee Attendance

OKLAHOMA CITY, Dec. 16.—At a special meeting of the executive committee of the Oklahoma Association of Insurers, it was decided that, beginning with this year's administration, \$10 a day would be paid members for their expense and time for committee meetings. Plans were formulated to recover premiums on automobile business written by local and foreign finance companies.

The committee protested to both houses of the legislature against railroading a drivers license law, claiming that the bills submitted are not in any respect except revenue and enforcement in conformity with the general practice. Regarding revenue, an unnecessary charge is involved to make provision for more funds than are needed. In respect to enforcement, they do not clearly define or restrict the duties of patrol and policing and place enforcement under the duties of the police instead of the patrol.

It was decided to postpone the mid-year meeting until after Jan. 1, to insure the attendance of company representatives and specialists in stock vs. non-stock insurance. The state was organized into 34 districts for the purpose of group meetings, educational conferences and legislative and other matters affecting particular territories.

Florida Loss Ratio 54.9 Percent

TALLAHASSEE, FLA., Dec. 16.—The annual report of the Florida department shows that the loss ratio on fire business for the state in 1935 was 54.9 percent, and for the seven years ending with 1935, 53.1. In the ten years

from 1919 to 1928, the ratio was 59.4. From 1879, when the record was started, there have been eight years when the losses ran over 100 per cent. The most recent was 1926, when it was 118.06. The storm year of 1928 ran it up to 88. In only one of the seven last years did it reach 50, the record being beginning with 1929, 40.3; 33.1; 43.8; 45.3; 46.0; 24.3; 54.9.

Tampa Taxes Agents

The city of Tampa, Fla., has passed an ordinance levying a fee of \$10 on agencies having from one to five solicitors, \$15 on agencies having from six to 10, \$20 on those with 11 to 15 and \$5 for each additional solicitor over 16. The

School Insurance Fund in Texas Is Being Advocated

DALLAS, TEX., Dec. 16.—There is a move among the school superintendents of Texas to have the state operate an insurance fund for insuring school property, and there is a feeling that at the coming session of the legislature a bill will be offered proposing the state mutual be organized. The matter was urged by J. D. Hendricks, superintendent of Collin county schools, at a recent senate committee hearing in Dallas. More than half the school property is said to be uninsured because the districts appear to have no money to buy protection. Under the plan proposed the state school fund would furnish the insurance money and every building of the public school system would be insured against fire and windstorm or hail and the premiums paid out of the public school money.

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CEDAR RAPIDS, IOWA

114 Sansome St. SAN FRANCISCO

215 W. 7th St. LOS ANGELES

90 John St. NEW YORK CITY

FIRE AND ALLIED LINES

city also imposed a new license on fire insurance agencies at one-eighth of 1 percent of premium collections with a minimum charge of \$10.

Atlanta Annual Meeting Jan. 12

ATLANTA, Dec. 16.—The Atlanta Association of Fire Insurance Agents will hold its annual meeting Jan. 12. The usual monthly meeting and dinner will not be held in December on account of the Christmas holiday season.

Unlicensed Agent Fined

W. C. Blankenship of Memphis, Tex., recently paid fines of \$171 for soliciting and selling fire and casualty insurance without a license.

Texas Regional Meets

Regional meetings of the Texas Association of Insurance Agents were held at Denison, Beaumont and Victoria. Another is scheduled for San Benito on Dec. 17. Local agents from Dallas attended the Denison meeting while a considerable number from Houston were at the Beaumont gathering.

At the meetings the following regional vice-presidents were named:

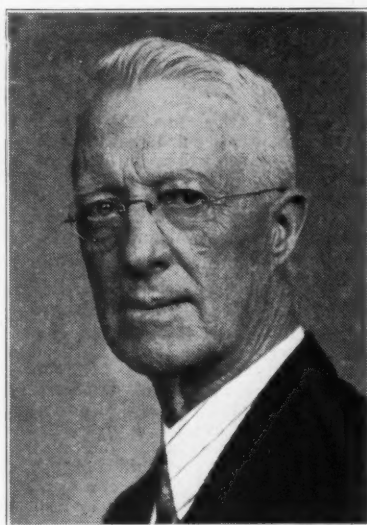
District 1, C. Y. Tully, Wichita Falls; 7, Henry Thompson, Amarillo; 8, R. F. Rosborough, Marshall; 12, S. S. Slonaker, Plainview.

Claremore Exchange Incorporates

A charter has been granted the Claremore Insurors Exchange, Claremore, Okla., with W. W. Knight, Leo A. Moore and C. M. Durham, as incorporators.

A. S. Maruchanu, 35, San Antonio local agent, died from pneumonia after a brief illness.

Veteran Atlanta Agent Observes 70th Birthday



HOWARD A. GELDELT

ATLANTA, Dec. 16.—Howard A. Geldert, vice-president of the Rauchenburg Insurance Agency, and veteran local agent, has just celebrated his 70th birthday. He came to Atlanta in 1901 as a representative of the "Insurance Herald" of Louisville, of which his brother, Louis N. Geldert, was editor.

Howard Geldert went into local agency work and has been associated with the Rauchenburg Agency since its organization. He has been active in civic, Masonic and club work.

the cooperative to its members on Nov. 5, he called a hearing at Spokane. At that time it was discovered that the Pearl had issued a provisional reporting form policy June 30, but the daily report had never cleared the stamping bureau. Pearl officials said the policy was written on an interstate form and therefore was not subject to the stamping bureau's scrutiny. The Washington department, however, in ordering the policy canceled, pointed out that the question of rates and rules dealing with risks located within the state and covered by a policy countersigned by a resident agent is subject to the Washington law. The rate quoted was 48 cents. Filings of all companies on stored grain call for rates based on location. The Pearl's net retention was 42 cents, with the cooperative retaining 6 cents for defraying overhead.

The department's ruling also held that North Pacific Grain Growers is not licensed as an agent and that the letter of solicitation was therefore a violation of the law. Acting upon reports that the cooperative was attempting to secure a general agent's license to write all forms of insurance for its members, Commissioner Sullivan advised the organization he "would feel justified in refusing a license to the North Pacific Grain Growers, Inc., should application be made."

Following cancellation of the provisional policy, Pearl officials said the company was issuing a new open form policy covering Washington members of the "co-op," and that the daily on this coverage would be put through the stamping bureau for official approval.

SPECIAL AGENTS TOOK ACTION

Keith Rhodes, president of the Special Agents' Association of Spokane, has written to THE NATIONAL UNDERWRITER stating that previous reports concerning the North-Pacific Grain Growers, Inc., matter are subject to correction.

"The actual facts are that this Special Agents Association," he writes, "filed a formal complaint with Insurance Commissioner Sullivan of this state regarding the proposal and activities of the North Pacific Grain Growers, and the only insurance men requested to attend the hearing held by Commissioner Sullivan on this complaint was the committee appointed for this purpose by this Special Agents Association. This association took all of the initial steps in the clearing up of this matter and we are pleased to report that the insurance commissioner has ruled favorably, at least to us."

"The commissioner's ruling was to the effect:

"That the issuance of the circular letters by the North Pacific Grain Growers constituted solicitation of business in the capacity of an agent, and they were not licensed."

"That the handling of insurance request forms by the local warehouse manager also constituted solicitation of business without an agent's license."

"That the North Pacific Grain Growers had no right to insure its members' grain under their own policy, and finally,

"That the rate used was not in conformance with the filings of the Pearl Assurance Co., Ltd., which company wrote this policy."

California Directors Confer

Los Angeles Is Selected for 1937 Convention Following National Gathering—Consider Legislation

LOS ANGELES, Dec. 16.—Selection of Los Angeles as the 1937 convention city, reappointment of Frank Colridge as executive secretary, discussion of legislative matters and the "guiding principles" on agency practices marked the first meeting of the California Association of Insurance Agents new directors here. The exact dates for the convention, the meetings of which will be held in Hollywood, will not be set until the date of the 1937 meeting of the Na-

tional association has been decided upon as the convention will be held immediately following the national meeting next fall.

Discussion centered principally on legislation. Consensus of opinion appeared to be that the association should not introduce any legislation at the coming session, which should dispose of the rate filing question, but rather to cooperate with and support Commissioner Carpenter in his legislative efforts. In the event compulsory automobile liability legislation is introduced it will be definitely opposed by the association. Elmer White of Oakland is chairman of the legislative committee, serving with L. R. Jeffords, Fresno; William H. Menn, Los Angeles, and presidents of all local associations.

Guiding Principles Renewed

The "guiding principles" adopted at the recent convention of the association and which are patterned after the agency practices agreement of the life insurance companies for the elimination of marginal producers and part-timers, were also gone over thoroughly and it is expected they will shortly be in proper form for submission to the association membership and companies. Kellogg Van Winkle, manager of the Equitable Life of New York at Los Angeles, immediate past president of the California State Association of Life Underwriters, participated in the discussion.

Vice-president Donald B. Goldsmith, San Diego, was named chairman of the membership committee and plans are now being made to have a state-wide prize contest.

Mr. Colridge was first appointed executive secretary in 1929, after he had had a number of years experience with the California Real Estate Association. During his administration a number of problems have been "ironed out" and the membership has risen from 350 to 1,130, making California the largest state agency organization. At the time Mr. Colridge was first appointed there were 25 local associations in California. Today there are 55 active local associations.

Bar Out-of-State Brokers in Colorado Lloyds Ruling

DENVER, Dec. 16.—Out-of-state brokers cannot legally solicit business in Colorado for Lloyds or any other non-admitted company, according to J. G. Donaldson, assistant attorney-general, who recently wrote an opinion holding that Colorado agents and brokers may not place insurance with non-admitted companies.

Mr. Donaldson's statement answers a question asked by a number of Denver brokers who feared that the opinion would force a good deal of Lloyds business into offices in adjoining states. He points out that non-resident agents cannot be licensed in Colorado and that non-resident brokers must place their business through resident agents. Therefore, it would be impossible for either Colorado brokers or those in other states to make any attempt to develop business here for non-admitted companies.

However, the opinion held that individuals may place insurance direct with non-admitted companies, so there would be nothing to prevent any individual, providing he had no dealings on the matter with a Colorado agent or broker, to place insurance with Lloyds through a broker in another state.

While no action has yet been taken, there is considerable talk in certain quarters of making a test case under the opinion. Colorado's action has stirred up considerable enthusiasm for taking similar steps in other states. At the commissioners' convention several commissioners discussed securing of similar opinions in their states.

Seek Combined Association

DENVER, Dec. 16.—Under the direction of a committee headed by A. P. Miller, the Denver Association of Insurance Agents has launched a move for the creation of a combined association

PACIFIC COAST-AND MOUNTAIN

Draft Colorado License Law

Company Men Now Considering Proposal to Be Introduced in January Session of Legislature

DENVER, Dec. 16.—The final draft of a strong licensing law proposed by the Colorado Association of Insurance Agents is now in the hands of the Supervisory Committee and the Mountain Field Club for final consideration. Agents this year are attempting to develop a bill which will meet with approval of the companies. The present bill is generally accorded a much stronger chance of being passed in the January session of the legislature than any other proposed in recent years.

The proposed bill provides first for registration, if desired, of one additional title by any admitted company in addition to its corporate name. Any company except casualty or surety companies, which would be allowed two agents per city or town, would only be allowed one agent in a city under the corporate name and one additional agent under the registered title. A separate license of \$100 each would be charged for each additional agent.

Regulations for Solicitors

Solicitors would be required to reside in the state and to devote full time to the insurance business and to have their office with an agent. An annual license fee of \$2 per solicitor would be charged. When a solicitor leaves an agency, his license would automatically be cancelled.

All companies would be required to register with the insurance commissioner the names and business addresses of general agents, state agents, state managers, state representatives or branch managers. A fee of \$5 per person would be charged for this registration.

Brokers would be required to main-

tain independent offices and devote full time to the insurance business. License fees of resident brokers would be \$25 and of non-resident ones, \$50.

The bill also requires the insurance commissioner to withhold or revoke any license or registration if it is proved to his satisfaction that the applicant or holder's principal object is to insure his own property or that of any organization with which he is affiliated or if his purpose is to evade anti-rebate laws. Of course, hearing and right of appeal privileges would be continued.

Open Form for Coast Co-Op

Substitute Contract to Be Offered for Outlawed Provisional Reporting Plan in Washington

SEATTLE, Dec. 16.—Commissioner Sullivan of Washington took a bold stand against cooperative buying of insurance when he ordered the Pearl to cancel its provisional reporting form policy issued to the North Pacific Grain Growers, Inc., a cooperative with 7,500 members in Washington, Oregon, Idaho and Montana. The Pearl's policy was to have become effective Dec. 1, covering stored grain of members at a 48 cents per \$100 rate. After ruling that the policy was in violation of the insurance code, Commissioner Sullivan in a letter to North Pacific Grain Growers, said in part:

"We believe there was to be established a fictitious grouping of assured for the purpose of purchasing insurance on a cooperative basis thereby enabling members to secure coverage at lower rates than are usually obtainable by the general public for like hazards. The plan has the elements of a proposed rebating to association members."

After Mr. Sullivan's attention was called to a letter of solicitation sent by

made up of local agents, casualty men and accident and health men, the new group to be known as the Insurance Underwriters of Colorado.

It is felt that these three groups have many common problems and that working together under one strong association, they could accomplish a great deal for their mutual good. It is not proposed to break up existing associations or to infringe on their strictly individual functions. A majority of local agents have endorsed the idea as a sound one.

Favor Educational Activity

DENVER, Dec. 16.—The Denver Association of Insurance Agents plans to make full use of the Business Development Office.

"I'm firmly convinced that reduction of rates is the wrong way to meet mutual competition," says Frank England, Jr., one of the leading backers of the plan. "When life insurance companies have been threatened with cut-rate competition, they didn't reduce premiums. They went out and educated the public on the value of what they were offering—and they've won out. We must do the same thing. Our cooperative advertising has done a lot of good. A specialized educational office would accomplish even more."

Three Insurance Legislators

OLYMPIA, WASH., Dec. 16.—Three prominent insurance men are members of the Washington legislature this year: Senator G. A. Lovejoy, Democratic holdover; Tom C. Bloomer, life agent of Seaview, and J. L. Keeler of Sequim.

Public Education Program

SAN FRANCISCO, Dec. 16.—The launching of a comprehensive program of public education marked the semi-annual meeting of the society of Insurance Brokers of San Francisco. The executive chairman reported 85 members in good standing. A healthy condition was reflected in the report of the finance

committee. Plans for a holiday party are being considered.

W. C. Meek for President

Wayne C. Meek, Seattle agent, has been nominated for president of the King County Agents Association. The election will be held Jan. 19.

The slate was announced at the lunch-con meeting of the association, when "Tubby" Graves, a member of the University of Washington football coaching staff, spoke. Other officers nominated are Byron B. Hillen, vice-president, and Raymond H. Ensign, John Davis & Co., secretary. Additions to the board of trustees are Carl M. Ballard, Alfred W. White and W. L. Horsfall. Orion D. Starr heads the nominating committee.

Baltzell Talks on Boiler

PORTLAND, ORE., Dec. 16.—Lee C. Baltzell, supervising engineer of Swett & Crawford, spoke to the Portland Insurance Men's Breakfast Club on boiler and machinery breakdown protection.

Accountants to Banquet

The Insurance Accountants Association of San Francisco is holding its annual banquet Dec. 18.

See Movies of Olympics

Los Angeles Insurance Post of the American Legion held a dinner-meeting with a large attendance, the entertainment program featuring the presentation of motion pictures of the Olympic games this year in Germany.

Coast Notes

Kenneth W. Potts, Salem, Ore., local agent, has announced his marriage to Miss Jean White of Portland.

The Brock & Logan agency, composed of F. M. Brock and J. A. Logan, has been opened in Glendale, a suburb of Los Angeles.

Order **Argus Charts**, Casualty \$1, Fire \$1, both \$1.50. 420 E. 4th St., Cincinnati.

with a view to increasing the number of districts in the state, together with a reclassification of membership dues. Some discussion was had as to the standard fire policy and the wisdom of changing certain of its provisions. With regard to the institution of renewal certificates, the question arose as to whether if adopted, these should be issued by companies or local men. Doubt, moreover, was expressed as to whether certificates might prove acceptable to mortgagees. In the light of these uncertainties the matter was referred to the executive committee for further study. The proceedings of the gathering were

directed by President E. C. Murray, a leading agent of Annapolis.

Seek Improvement in Bay State Cities' Conditions

The National Fire Protection Association has made a number of recommendations for improvement in conditions in leading cities of Massachusetts. It expressly cites Gloucester, saying that the city's unfavorable fire record continues, the two important contributing factors being weak structural con-

Read— in the January, 1937 Issue

Out January 5th

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ROUGH NOTES

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EASTERN STATES ACTIVITIES

Connecticut Fire Rates Cut Approves Change in Schedule

Protected Risks Get 5 to 15 Percent Reduction—Reduces State Premiums \$400,000

HARTFORD, Dec. 16.—Connecticut stock fire rates on protected risks have been reduced from 5 to 15 percent, effective Jan. 1, which will mean a reduction of approximately \$400,000 in Connecticut premiums. The announcement was made by Frank C. Hatfield, vice-president of the Phoenix of Hartford, Connecticut representative of the New England Insurance Exchange. The decrease covers protected property situated within 500 feet of a public fire hydrant and includes public buildings, educational institutions, mercantile buildings, warehouses, hotels and boarding houses, garages, repair shops, lumber yards and theaters. In addition a schedule of minimum rates for protected private dwellings and apartment houses has been revised, which will result in a number of reductions. The ratings of city losses and fire fighting equipment as well as individual home conditions will influence these rate revisions.

New Schedule Given

On public buildings and educational institutions of frame construction the reduction will be 5 percent. The same type of buildings of brick and fireproof construction will receive a 15 percent reduction. The reduction on mercantile buildings and warehouses regardless of construction will be 5 percent. The same applies to hotels and boarding houses which are not summer or seasonal. The reduction on public and business garages, automobile repair shops, lumber yards and theaters will be 10 percent regardless of construction.

Maryland Association Endorses Removal of Records to Baltimore Office—Competition Is Discussed

BALTIMORE, Dec. 16.—Removal of schedules applying to Maryland from the Philadelphia office of the Middle Department to the Baltimore office was unanimously approved at the semi-annual meeting of the Maryland Association of Insurance Agents here. The matter was thoroughly discussed and a number of reasons given why the change should be made.

Competition of mutuals and reciprocals was discussed thoroughly but no action was taken. A number of the members cited instances in which they had lost business in competition and they urged that something be done to protect agents of stock companies. Walter H. Falk, superintendent of the New York brokerage department of the Royal-Liverpool group, discussed mutual and reciprocal competition.

Approximately 50 members representing all sections of the state attended the meeting. President E. Churchill Murray presided.

Conduct Membership Drive

If the interest displayed at the initial meeting proves a reliable criterion, there is little doubt that its desired membership of at least 100 will soon be attained. A determined drive to secure that number is already well under way.

Mr. Falk outlined the plans of the Business Development Office. He also answered a number of questions propounded from the floor.

The association considered the advisability of changes in the constitution

ditions in the district and an outbreak of incendiary fires. The fire department has gone on the platoon system and will conduct a dwelling house inspection campaign shortly. A new building code has been prepared but has never been adopted.

In Lowell the association engineers advocated a proper replacement program for old and undependable fire apparatus and an organization of fire prevention inspection bureau in the department. The engineers discussed with members of the Springfield safety council the increased fire hazard caused by curtailment of rubbish collection and plans were made for a drive for its restoration.

In Boston S. J. Pope, former chief of the fire prevention division, has been named chief of the Boston fire department. He has been a member of the N. F. P. A. for many years.

Required to Prove Innocence

CONCORD, N. H., Dec. 16.—As Emma E. Woodward of Nashua could not produce convincing evidence that she did not set or procure to be set the fire which destroyed her property in that city in 1932 the supreme court of New Hampshire has ruled that the United States Fire need not pay the fire policy

which Mrs. Woodward took out on the house and contents. The case is understood to be the second in the country in which a higher court has ordered judgment for the insurer in an arson case of the kind. Although the insured denied any guilt, the supreme court held such evidence as there was in her favor was insufficient to justify a finding that she was innocent.

Erie County Christmas Party

BUFFALO, Dec. 16.—Members of the Erie County Local Agents Association, entertained their wives at a Christmas party Tuesday evening in East Aurora. Marion Cushing and Fred J. Marshall were in charge of the program.

Boston Board Elects Jan. 12

BOSTON, Dec. 16.—The annual meeting of the Boston Board will be held Jan. 12. A committee has been appointed to bring in a new slate of officers.

Pittsburgh Club Committees

PITTSBURGH, Dec. 16.—With a fall start of 62, largest attendance record for the Insurance Club of Pittsburgh, committees were announced as follows:

Activities—Wallace M. Reid, Wallace

M. Reid Co., chairman; J. W. Henry, J. W. Henry Co.; A. Blumenthal, Benswanger, Hast & Herzog; Frank Kaufmann, Travelers Indemnity; Frank Frippell, North America; E. T. Kohne, John C. Kohne Co., and H. E. McKelvey, Edwards-George Co.

House—R. H. Alexander, Hoover-Diggs Co., chairman; E. W. Murphy, A. L. Patterson Agency; P. F. Flaherty, Tener-Loughrey Co.; Ray Thomas, Logue Brothers; Paul McKnight, McKnight-Miller Co.

Membership—C. H. Bokman, New Amsterdam Casualty, chairman; John Larimer, Commercial Union, and H. S. Bepler, H. S. Bepler Agency.

Continue Insurance Talks

The insurance committee of the New Jersey Credit Men's Association will meet in Newark Jan. 8 to make plans for meetings to be held before the various groups which come under the scope of the association.

Four successful meetings were held during the past month at which prominent insurance speakers pointed out the proper coverage which the various groups need for their own protection.

This method will be continued throughout 1937 and it is expected that it will not alone give the dealers, manufactur-

ers and jobbers a practical view of proper insurance coverage for their merchandise but be of great assistance to the credit association.

Herbert Baltimore Manager

E. F. Herbert has been appointed manager of the Baltimore branch of the Nichols Company of Washington, D. C. This corporation handles claims for fire and casualty companies, in which field it has a reputation.

Big Buffalo Oil Plant Loss

BUFFALO, Dec. 16.—Fire and police officials place loss in a fire in the Hygrade Oil Company main office here at upwards of \$200,000. Several nearby buildings were damaged as flames fed by oil and gasoline spread rapidly. More than half the apparatus in the city was summoned because many large industries adjoin the oil company's Niagara street headquarters.

Eastern Notes

Mrs. Julia A. Kassing, 66, formerly secretary of Egbert Bagg & Co., Utica, N. Y., died there.

Vincent A. Stuart, 34, local agent at Lakeville, Conn., died there after a brief illness. He was elected first selectman, the community's highest governmental office, at the fall election.

MARINE INSURANCE NEWS

Inland Marine Sales Pointers

Importance of Carrying Transit Insurance as Well as Cargo Cover Is Stressed

The value of inland marine coverage was shown before the Cincinnati Fire Underwriters Association in a demonstration on the sales points of a transit policy by D. L. Tullis and C. A. Kirkland, special representatives Royal-Liverpool groups, Cleveland, the former acting the part of an agent. Mr. Kirkland represented a manufacturer of machinery, the largest product selling for \$2,500, \$25,000 covering a railroad box car and from \$10,000 to \$12,000 truck. Most of the incoming material is received by railroad and merchandise is shipped out by truck, usually to customers within a 300 or 400 mile radius of the plant. Incoming shipments are valued at \$500,000 and outgoing at \$1,250,000.

Mr. Kirkland carried \$2,000 cargo insurance. Mr. Tullis said it isn't logical to carry cargo insurance and no transit insurance. A carrier is not liable unless negligence is proved. Under the I. C. C. requirements a trucker is obliged to carry but \$1,000 cargo insurance and he may be carrying from \$5,000 to \$15,000 other cargo in the same load with Mr. Kirkland's merchandise. "Every trucking policy I have seen carries 100 percent coinsurance," Mr. Tullis stated. Mr. Kirkland admitted that he had a \$1,200 flood loss last year.

The fact that a shipper is not legally liable for damages to his product after it has been shipped to a customer isn't much help when a large customer is involved, Mr. Tullis declared.

Sullivan Heads Mariners

R. D. Sullivan, manager Marine Office of America, Chicago, will continue at the helm of the Mariners of Chicago, organization of marine underwriters, until the annual election in March, it was decided at the December meeting. He takes the helm from F. B. Wreaks of the Aetna Fire, who is being transferred Jan. 1 to Hartford. R. S. Dicus of the Cook county office, Aetna Fire, is purser, and P. A. Fitzpatrick of Wm. H. McGee & Co., is yeoman. The meeting was called to fill the vacancy in the staff due to Mr. Wreaks' promotion. Mr. Fitzpatrick was named to succeed the late J. H. Scott of the National Union as yeoman.

Menner With Millers National

Former Wisconsin State Agent of Phoenix Becomes Inland Marine Field Superintendent

The Millers National has appointed L. S. Menner, former Wisconsin state agent of the Phoenix of Hartford and Equitable Fire & Marine, as inland ma-



L. S. MENNER

rine field superintendent of the company's middle western territory covering Illinois, Indiana, Ohio, Michigan, Wisconsin, Missouri and Kansas. Mr. Menner is thoroughly acquainted with this territory, having traveled it for the past 13 years, in most part as inland marine special agent for the Phoenix group.

With the addition of Mr. Menner to the home office field staff, the Millers National's inland marine manager, H. C. Stoll, anticipates for 1937 a substantial increase in inland marine premiums because of the additional service which the company is now in a position to render its agents. It reports this year a steady increase in volume.

Continued progress should be augmented also, according to Mr. Stoll, by the recent opening of an inland marine department by H. M. Dinsmore, Millers National's California general agency,

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RING IN THE NEW

ONE of the best ways for YOU to welcome 1937 is by joining hands ACTIVELY with this progressive, stable, agency-minded company.

For then you'll enjoy—both next year and the years to come—a company relationship that has no peer for helping YOU to enjoy a steadily increasing volume of business.

And now, Cordial Holiday Greetings from us all!

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KANSAS CITY Fire and Marine

INSURANCE COMPANY

CHICAGO OFFICE:
INSURANCE EXCH

KANSAS CITY
MISSOURI

under V. H. Winkle. Before joining the Millers National organization Mr. Winkle spent ten years in the marine end of the business in such capacities as manager of the Oakland, Cal., office of the inland marine department of the North America, and manager of the inland marine department of the general agency of Rolph, Landis & Ellis.

H. E. Mankin Marine Head of Aetna Fire in Chicago

Howard E. Mankin of the Commercial Union has been appointed inland marine manager in the western department of the Aetna Fire. He succeeds F. B. Wrecks, who was recently transferred to the head office of the Aetna Fire as general agent. Mr. Mankin has been in the business for 13 years. He served as special agent in the middle western territory for William H. McGee & Co. Then he became manager at Cleveland for the Fireman's Fund. His next move was to the Commercial Union as Cleveland manager. About two years ago he was transferred to the Chicago office of the Commercial Union as special agent.

Mr. Mankin is a native of Ohio and attended Ohio State University and the University of Michigan. After leaving college he joined the Retail Credit Company at Columbus, and was ultimately made chief inspector of that office. Following that he had a short connection with a general agency in the automobile department, after which he became associated with William H. McGee & Co. He is a past president of the Insurance Society of Cleveland.

Rates for Bicycle Cover Are Being Forced Down

Insurance of bicycles is a line with which marine departments of a few companies have been experimenting for the last several years. Although the experience has been unsatisfactory, not a great deal of money has been lost by the companies and it is likely that they will continue with it for several months to determine whether it can be placed on a satisfactory basis.

The policy is a dealer replacement contract. The dealer, in selling a bicycle, furnishes the purchasers, if he so desires, with a certificate. If the bicycle is stolen or damaged by fire, under the certificate the purchaser may get a new bicycle by contributing only the amount of the depreciation of the old machine. There has been some rate competition in the field, now that several companies are bidding for the business. A flat rate of so much per bicycle is quoted. A rate of \$3 was the usual quotation until rather recently when competition has forced rates down to about \$2 for many dealers. In some localities a rate as high as \$5 is charged.

Fireman's Fund Distributes Handy Guide on Marine Line

A handy pocket guide for guidance in soliciting and writing marine insurance of all kinds has just been published by the Fireman's Fund and is being distributed throughout the country to agents and brokers. It covers all risk, inland marine, ocean marine and yacht insurance, and includes the nationwide definition and interpretation of insuring powers of marine and transportation underwriters and interpretation bulletins Nos. 1 to 68, inclusive, issued by the insurance committee of fire, marine and casualty companies; also a list of states, including the District of Columbia, which have adopted the definition. The pamphlet of 48 pages treats of the various coverages in abbreviated form but giving all of the salient facts about the coverages, underwriting pointers, rates, minimum premium, etc. There is a full page table of contents listing sections on 175 cov-

erages and subjects. One full page is devoted to a tabulation of prospects for marine insurance, giving the forms of contracts and the insurable property they cover.

Opens Milwaukee Service Office

United States Manager F. W. Koeckert of the Commercial Union announces the opening of an additional service office for all-risks and inland marine business under the direction of Howard S. Emmerich at the Milwaukee headquarters of the company, 825 North Jefferson street, servicing Wisconsin, Minnesota, North Dakota and South Dakota.

Mr. Emmerich has been in the employ of the company at Chicago for seven years and he has successfully received a training in the fire, general cover and all-risks departments which qualifies him to assume the duties of servicing the growing business of the company in this territory. Mr. Emmerich's assignment is in conformity with the policy of the management to advance members of their own staff whenever possible.

Brisk Trade in Dog Cover

NEW YORK, Dec. 16.—The advent of the holidays has brought about a new type of insurance in the form of coverage for dogs in transit. The regular \$25 as compensation for loss or injury to a dog taken as baggage is often insufficient and to meet this problem, L. C. Smith, New York City general agent, evolved a policy fixing a basic rate of 1 percent. Shippers can thus place their own values on dogs and pay accordingly. The American Kennel Club reports a greater volume of dog buying this year than for many years past which involves shipping of dogs all over the United States and sometimes to other countries.

Mr. Smith, who specializes in baggage insurance, has arranged for these policies on dogs in transit to be obtained at baggage counters. Dogs are protected from all loss or injury, but not from sickness. There are two requirements. The dog must either be on a strong leash with a tight-fitting collar or shipped in a strong crate and in the event of loss or injury to the dog, the report must be made to Mr. Smith within 24 hours with full information about the injury or loss. The policy is underwritten by the St. Paul Fire & Marine.

H. C. Carpenter, formerly with the Keystone Automobile of Philadelphia, is now with the Chattanooga, Tenn., office of the Associated Mutuals.

CANADIAN

Marked Improvement on Hail

Loss Ratio Reduced From 57 to 37 Percent With Lower Volume of Premiums

TORONTO, Dec. 16.—The report of the Canadian Hail Underwriters Association, which comprises most of the stock companies doing hail business in the prairie provinces, shows smaller business but also lighter losses for 1936 as compared with 1935. The ratio decreased from 57.54 percent to 37.58 percent. The figures follow:

1936	Premiums	Losses	Ratio
Manitoba	\$ 65,600	\$ 18,430	28
Saskatchewan	365,948	80,868	22
Alberta	145,899	117,715	80
Totals	577,447	217,013	37
1935	Premiums	Losses	Ratio
Manitoba	\$101,080	\$ 57,280	56
Saskatchewan	525,203	253,517	48
Alberta	162,826	143,291	88
Totals	\$789,109	\$454,088	57

Asks Dominion Charter

The Canadian parliament at its next session will be petitioned for an act to incorporate the Sterling Insurance Company of Canada to handle fire insurance and other classes of coverage. The company will also seek power to acquire the whole or any part of the rights to prop-

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ORIENT INSURANCE COMPANY

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ANNUAL STATEMENT December 31, 1935

Reserve for Unearned Premiums	\$1,809,635.22
Reserve for Losses Under Adjustment	149,175.40
Reserve for Taxes and all other Claims	134,629.82
Contingency Reserve	100,000.00
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,424,295.41

TOTAL ASSETS	\$4,617,735.85
SURPLUS TO POLICYHOLDERS	\$2,424,295.41

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THE OLD "STATE OF PENN"



NATIONAL UNION FIRE INSURANCE COMPANY

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"On March 6, 1906, I wrote my first fire insurance policy, and it was placed with your company. This risk, by the way, continues with my agency and the National Union."

A
Good
Agency
Company

erty of the company of the same name now incorporated in a special charter of the province of Quebec.

C. U. A. Meeting Postponed

The meeting of the Canadian Fire Underwriters which was to have taken place in Ottawa Dec. 16, has been postponed to Jan. 19, according to an announcement by A. Leslie Ham, secretary. Over 40 expected to attend.

Ontario Business Reinsured

TORONTO, Dec. 16.—The fire and casualty business of the General of Seattle, First National and General Casualty in Ontario, from which field they withdrew recently, has been reinsured with the Halifax Fire.

Ham Blue Goose Speaker

A. Leslie Ham, manager of the Canadian Underwriters Association in Montreal, spoke at the Blue Goose luncheon in Montreal. He gave some sidelights on the law of negligence. His training has been in the casualty field following legal experience.

MOTOR

Balks at Ohio Ruling

COLUMBUS, Dec. 16.—The Shawnee Mutual, which insures financed automobiles, has informed the Ohio department that it does not feel it is obliged to furnish the borrower information concerning the insurance placed on the car and the amount of the premiums, as required by a recent ruling of the department. The company says that inasmuch as it does not give the borrower a "certificate," it need not, in its opinion, furnish information regarding premiums. The subject was discussed at conference in the department this week.

Hits Finance Cost Loading

SEATTLE, Dec. 16.—Loading of automobile finance costs with hidden insurance charges was hit this week in a ruling issued by Commissioner Sullivan of Washington. Effective immediately, all finance companies must itemize the coverage and premiums and daily reports must clear through the Washington Insurance Examining Bureau. Agents are receiving the new ruling enthusiastically, there having been numerous complaints regarding insurance abuses by finance companies.

Auto Men Hear McAuliffe

Frank McAuliffe, chief of the Chicago Fire Insurance Patrols, addressed the meeting of the Automobile Superintendents Club of Chicago this week.

Risk Institute Recommends Changes in Fire Contract

(CONTINUED FROM PAGE 5)

mum without assured being required to make the demand. Also if the company cancels the policy assured should be given 10 days notice instead of five.

Short rate cancellation was branded as too severe on the assured who had legitimate reasons for discontinuing the policy. A specified minimum premium should be considered fully earned, the report recommended.

The report also said the pro rata liability clause should be revamped, to state that unless otherwise agreed the carrier would not be liable for a greater proportion of loss than the amount insured would bear to the entire coverage of the loss.

Revision of the appraisal clause, lines 159 to 175, should be changed to provide if the carrier fails to appoint an appraiser within 30 days from the demand of the assured for such appointment, the loss claimed by the assured shall become payable immediately. The next six lines dealing with the com-

pany's option should be altered to require the insurer to inform the assured of its intention to repair or replace property within 30 days after reception of notice of loss. Revision of the appraisal and the company option clause in this manner would expedite settlement of the loss, the institute said.

Two more recommended changes concluded the institute's report. The first said lines 185 to 191 should be revised to require that amount of loss for which the carrier is liable should be payable within 60 days after reception of proof of loss without further allowance of time for ascertainment of such loss. The second recommended a new clause saying that if any warranty is breached the insurance will not be forfeited or reduced unless that breach materially increases probability of loss.

Can Reciprocal Come Under Federal Bankruptcy Act?

(CONTINUED FROM PAGE 5)

B. Coats, vice-president of Rankin-Benedict, substitute attorney-in-fact, Jacobs explained. Charles M. Howell attended that meeting, and when he returned to Kansas City Dec. 1, attempted to reach Mr. O'Malley, his counsel, and finally did reach H. C. Fielder, Mr. O'Malley's deputy in charge of the exchange, to tell him of the election in St. Louis.

Mr. O'Malley says that the federal court has no jurisdiction over him, suggested Mr. Granoff, even though the adjudication is valid. Participating subscribers claim to be preferred creditors in their petition to set aside the adjudication. Therefore neither petitioner has the right to raise a question of jurisdiction.

Answering a query of the court, Granoff replied that no one could question the authority of the attorney-in-fact.

"Not even the principal?" the court asked.

"No, because the exchange is so pe-

culiarly constituted it is impossible for every one of its members to appear."

Granoff stated that no facts had been introduced to support the petitioners' charge of fraud on the court.

Rankin-Benedict is the principal defendant in Mr. O'Malley's application for a temporary receivership in the state court, Granoff explained, a petition involving involuntary liquidation of the exchange.

Granoff put forward the contention that a substitute attorney-in-fact cannot assume legal status without notice to its predecessor. Revocation of Rankin-Benedict's authority does not become effective until the agent is notified, and is effective only from date of notification.

The evidence showed that two vice-presidents of Rankin-Benedict, V. B. Coats and R. C. Hook, were notified, the court suggested.

Rankin-Benedict Real Entity

Hook and Coats may have been notified, Granoff replied, but they did not inform other members of the Rankin-Benedict board, even though they attended the directors' meeting Dec. 1 to vote on the voluntary bankruptcy petition. Since neither Mr. O'Malley in his petition to set aside adjudication in bankruptcy, nor Mr. Timmons in his petition for subscribers, mentioned Coats as substitute attorney, either they didn't know, or Coats had not accepted his election, or had not qualified for the post.

"Had Rankin-Benedict not filed a voluntary petition but issued at that exact time a policy of insurance," wondered D. V. Howell, "would the policy be considered void?" He contended that Rankin-Benedict is the real entity of the exchange; but that neither under common law or statute is any corporate power conferred on the attorney-in-fact. If it were a corporation, it would have to pay a corporation tax, make the anti-trust affidavit, etc. If it is an insurance company, its property would be taxable. Missouri retaliatory laws apply to recip-

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THE METROPOLITAN FIRE
REASSURANCE COMPANY
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BUSINESS INTERRUPTION INDEMNITY

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

ALABAMA

**LAW OFFICES OF
Coleman, Spain, Stewart
& Davies**
706 to 719 Massey Building
Insurance Attorneys
Birmingham, Alabama

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Masonic Building
Flagstaff, Arizona
Trial of all insurance cases in State and Federal Courts. Covering Northern Arizona.

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Associates**
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James E. Flynn
209 Luhrs Building
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512 Valley National Bldg.
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Aetna Group, American Auto, Connecticut Indemnity, Fidelity & Casualty, The Massachusetts Bonding, The Travelers and other leading companies.
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**HUSTON, HUSTON &
HUSTON**
Capital National Bank Building
Sacramento—California
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Democrat Building
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Salinas National Bank Bldg.
Salinas—California

Equipped for investigations, adjustments, settlements of claims, trial of all insurance cases in State and Federal Courts in this territory.

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SANDERS & JACQUES
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INGALLS & LAMB**

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KEYES & ERSKINE
Herbert W. Erskine William A. White
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General Counsel Pacific National Fire Ins. Co. Trial of insurance cases in State and Federal courts.

JOHN J. TAHENY
Hobart Building
San Francisco, California
Representing Associated Indemnity Corp., General Reinsurance Corp., and others.
Former vice-president and general counsel of Associated Indemnity Corp., and Associated Fire & Marine Ins. Co., San Francisco.

**THORNTON, MENZIES &
TAYLOR**
311 California Street
San Francisco, California
548 South Spring St.
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**POND, MORGAN AND
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Fidelity & Guaranty
General Accident and many others.

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**MARVEL, MORFORD, WARD
& LOGAN**
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Specializing in Insurance and Corporation matters.

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Manufacturers Casualty Ins. Co.
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Equipped for investigations, adjustments and trial of all insurance cases in Northern Florida.

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First National Bank Building
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Miami, Florida
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Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases, State and Federal Courts, in Florida.

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Representing the Aetna Group, American Surety, Fireman's Fund, New Amsterdam, National Surety, Standard Accident and many others.
Trial of all insurance cases in State and Federal Courts in this territory.

**WATSON & PASCO
& BROWN**

American National Bank Building
Pensacola, Florida
United States Fidelity & Guaranty; Hartford; Amsterdam; Sun; Lumberman's Mutual; Mastin & Company.

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308-312 Hall Building
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American Surety Company of N. Y., New York Casualty Company, Glens Falls Indemnity Co., Standard Accident & Insurance Co., Mass. Bonding & Ins. Co.
Equipped for investigations, adjustments and trial of insurance cases in State and Federal Courts.

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Citrus Building
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Representing about thirty-five leading casualty and surety companies—names given on request. Equipped for investigations, adjustments and trial of insurance cases in all courts.

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Hitch, Denmark & Lovett

17 Drayton Street
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Representing American Surety Co. of N. Y., New York Cas. Co., Continental Cas. Co., National Surety Corp., and numerous others.
Equipped for investigations, adjustments, settlement of claims, and trial of all insurance cases in State and Federal Courts in Southern District of Georgia.

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Boise, Idaho

Fireman's Fund Insurance Company; Loyalty Group; Ohio Casualty Insurance Company and others.
Equipped for investigation, adjustments and settlement of all claims. Trial of all cases in State and Federal Courts in Southern Idaho.

OTTO E. McCUTCHEON

208 Salisbury Building
Idaho Falls, Idaho
Standard Accident of Detroit, Fidelity & Deposit and others.
Investigations, adjustments, and trial of all insurance cases in State and Federal Courts—Northeastern Idaho.

JONES, POMEROY & JONES

Central Building
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Loyalty Group, Central Surety & Insurance, Kansas City, and General Group, Seattle.
Equipped for investigations and trial of all insurance cases, State and Federal Courts, Southeastern Idaho.

CHAPMAN & CHAPMAN

Eurkholder Building
Twin Falls, Idaho
General Group of Seattle, Hartford Accident & Indemnity and others on request.
Equipped for investigations and trial work in State and Federal courts in south central Idaho.

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LORD, LLOYD & BISSELL
Rm. 2460—135 South La Salle Street
Chicago, Illinois

Insurance defense—Casualty, Surety, Life & Fire Lines.

Clausen, Hirsh & Miller
Attorneys & Counselors
135 South La Salle Street
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Special Attention to the Law of
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Trial of Insurance cases: representing MARYLAND, FIDELITY & CASUALTY, ROYAL, GLOBE, EAGLE, BANKERS INDEMNITY AND OTHERS.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

ILLINOIS (Cont.)

JOHN M. MITCHEM

101 South Broadway
Urbana, Illinois
OHIO CASUALTY

Equipped for investigation and adjustment of claims.

INDIANA

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1285 Lincoln Tower
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Specialist in insurance litigation. Equipped for investigations, adjustments, settlements and trial of all insurance cases in northern Indiana—also subrogations. Company references on request.

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Investigations—Adjustments—Trial Work
References on Request
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INDIANAPOLIS

NOEL-HICKAM-BOYD & ARMSTRONG

Suite 1019—130 East Washington
Indianapolis, Indiana

Aetna Group, Commercial Casualty, Metropolitan Casualty, Standard Surety & Casualty, N. Y., and many others. Trial of all insurance cases in State and Federal Courts.

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Attorneys specializing in All Phases of
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Insurance Litigation
751-760 Consolidated Building
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DEACON, SARGENT & SPANGLER

915 Merchants Bank Building
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State Bank Building
Fort Dodge, Iowa

Continental, General Accident, Western Automobile, and fourteen others. Equipped for investigations.

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First National Bank Building
Mason City, Iowa

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623 Davidson Building
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Equipped for investigations, settlement of claims, all insurance cases in State and Federal Courts.

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TINCHER, RALEIGH & CUSHENBERY

301-302 First National Bank Building
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The Aetna Group, Manufacturers & Wholesalers Indemnity Exchange, The Mercer Casualty Company, Indemnity Insurance Company of North America, The Glens Falls Indemnity Company. Equipped for investigation, adjustment, settlement and trial of insurance cases over southeastern Kansas.

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Public Utility Bldg.
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Insurance Companies represented: Fidelity & Casualty, Fidelity & Deposit, Loyalty Group, American Surety, Hardware Mutual and many others. Equipped for investigations, adjustments and trial of cases in Northwest Kansas.

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903 National Bank of Topeka Bldg.
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Equipped for investigation, adjustment, settlement and trial of insurance business of all kinds in Kansas.

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KEENON, HUGUETET & KESSINGER

Security Trust Building
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Prudential Insurance Company; Yorkshire; Massachusetts Bonding; National Casualty, Detroit; Greyhound Lines and others. Equipped for investigations, adjustments, and trial of all insurance cases in state and federal courts.

Davis, Boehl, Viser and Marcus

(Blakey, Davis and Lewis)
Kentucky Home Life Building
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Investigations, Adjustments and Trial of all Insurance Cases.

Woodward, Dawson & Hobson

Insurance Attorneys

615-24 Kentucky Home Life Building
Louisville, Kentucky

LOUISIANA

McCOY, KING & JONES

Suite 515 Weber Building
Phone 406
Lake Charles, Louisiana

American Auto Ins. Co., American Surety, Employers Group, Fireman's Fund Ins. Co., Maryland Casualty, Travelers Group, U. S. F. & G., and many others. Investigations and adjustments all over this territory.

LESTER P. BEARD

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Clater W. Smith

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BALTIMORE - MARYLAND

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Counsel for numerous insurance companies. Names given on request. Equipped for investigation, adjustment and trial of all insurance cases in State and Federal Courts.

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31 Elm Street

Springfield, Massachusetts

Fire Companies Adjustment Bureau, Inc. Trial of all insurance cases including casualty, fire and surety in State and Federal Courts.

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SEABORG & RICE

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827 Penobscot Building
Detroit, Michigan

Randolph 5160

SCHULZ and KAY

Attorneys at Law

General Insurance Litigation Workmen's Compensation Trial Work

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Detroit, Michigan Telephone Cherry 0616

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1107 Peoples Bank Building
Grand Rapids, Michigan

ROSENBERG & PAINTER

891-6 Reynolds Bldg.
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Represent: Zurich, London & Lancashire, Western & Southern, Provident Life & Accident, Michigan Mutual, Ohio Casualty, Citizens Mutual and others. Investigations and adjustments in central and southern Michigan. Trial of all insurance cases.

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Equipped for investigations, adjustments, settlement of claims and trial of insurance cases in Northeastern Michigan.

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BALDWIN, HOLMES, MAYALL & REAVILL

900 Alworth Building
Duluth, Minnesota

Travelers' Group, Mass. Bonding & Insurance Co., Pacific Mutual Life Insurance Co.

GUESMER, CARSON & MacGREGOR

1218-1232 Roanoke Building

Minneapolis, Minnesota

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Trial of insurance cases in Federal and State Courts in Minnesota. Investigations, adjustments, and settlement of claims.

Pioneer Building Security Bldg.
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414 Strain Building
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Company representation upon request. Equipped for investigations, adjustments and trial of insurance actions in State and Federal Courts, in North & Northwestern Montana.

MERLE C. GROENE

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NEBRASKA

MAYER & MAYER

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Massachusetts Bonding & Insurance Company—others on request. Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases in State and Federal Courts in Central Nebraska.

STEWART, STEWART & WHITWORTH

1412 Sharp Bldg., Lincoln, Nebraska

Trial of insurance cases in Federal and State Courts in Nebraska. Investigations, adjustments and settlement of claims.

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1028-40 City National Bank Building

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Representing 35 Insurance Companies—Kemper Group—Loyalty Group—Sun—Home—Liberty of Boston—American Surety—Security of Chicago—Employers of Wausau—Associates Ind. and others. Complete trial and claim service over Nebraska and Western Iowa.

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Metropolitan Casualty Insurance Co.; Commercial Casualty Co.; American Automobile Assn.; others on request. Trial of all insurance cases in State and Federal Courts in the State of New Mexico.

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Equipped for investigations, adjustments, settlement of claims and trial of all insurance cases in State and Federal courts.

David F. Lee David Lovene Daniel J. McAvoy

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BINGHAMTON, NEW YORK

Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

INSURANCE ATTORNEYS

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WILCOX & VAN ALLEN

1008 Liberty Bank Building
Buffalo, New York

CLARENCE E. MELLEN

51 Maiden Lane
New York, N. Y.
Mass. Bonding & Insurance Co.
New Amsterdam Casualty Co.
United States Casualty Co.
Trial of all insurance and surety cases in State and Federal Courts. Equipped for investigations.

MELVIN & MELVIN

304-14 First Trust & Deposit Building
Syracuse, New York
Royal-Eagle-Century
Equipped for investigations, adjustments, settlements and trial of all insurance cases—State and Federal Courts.

DUNMORE, FERRIS & BURGESS

First National Bank Building
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Continental, Liberty, Norwich, Fidelity & Deposit
Equipped for investigations, adjustments, settlements of claims. Trial of all insurance cases in State and Federal Courts.

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Trial of all insurance cases in State and Federal Courts.

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108 Law Building
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Equipped for investigations, adjustments, trial of all insurance cases in State and Federal Courts.

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526-29 Security Bank Building
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Equipped for adjustments and investigations. Trial of all insurance cases—State and Federal Courts.

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608-10 Security Bank Bldg.
P. O. Box 1406
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Hartford Accident, Hartford; Standard Accident, Detroit; American Auto, St. Louis. Specializing litigation and adjustments involving casualty insurance law and surety bonds. Experienced adjuster in office.

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Trial of all insurance cases in State and Federal Courts.
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JOHN H. McNEAL

and
HARLEY J. McNEAL
562 Auditorium Bldg., 1367 E. 8th St.
Phone Main 1928
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Attorneys-at-Law
Facilities for Investigations, Adjustments and Trial work over Northern Ohio.

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814 Outlook Building
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Investigations, adjustments, trial of all insurance cases.

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Masonic Building
Lima, Ohio
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Trial of all insurance cases in Federal and State Courts. Equipped for investigations.

YAGER, BEBOUT & STECHER

303 Second National Bank Building
Toledo, Ohio
American Surety Company, Phoenix Insurance Company of Hartford, Conn., and Massachusetts Bonding & Insurance Company.

RUSSELL RAMSEY

801 Feick Building
Sandusky, Ohio
Equipped for investigations, adjustments, and settlements of claims.
Trial of all insurance cases.
Bank reference: Western Security Bank (Counsel).

L. M. CAILOR AND J. B. CUNNINGHAM

600-603 Union National Bank Building
Youngstown, Ohio
Equipped for investigations, adjusting, trial of all insurance cases in State and Federal Courts.

WAITE, SCHINDEL & BAYLESS

1318-27 Union Central Life Building
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Insurance litigation, specializing in Life, Casualty and Fire—Trials in Federal and State Courts—References on request.

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Baker Loan & Trust Bldg.
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Collier, Collier & Bernard

Suite 1220 Spalding Building
Henry E. Collier John A. Collier
E. F. Bernard
Portland, Oregon

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800 Pacific Building
Portland, Oregon
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1208 Public Service Bldg.
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U. S. F. & G., Lloyds of London, others on request. Investigations & Adjustments.

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The Travelers Insurance Company, American Surety Company of New York, Hartford Accident & Indemnity Company, New York Casualty Company.
Trial of all insurance cases in State and Federal Courts. Equipped for investigations and adjustments.

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Specializing in Fire, Casualty, Surety and Life.
Trial of all cases.
Equipped for investigations and adjustments all over South Carolina.

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BAILEY-GLIDDEN BUILDING
SIOUX FALLS
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POORE, KRAMER & TESTERMAN

302 Fidelity Bankers Trust Building
Knoxville, Tennessee
Zurich Insurance Co., Chicago, Ill.; Preferred Accident Ins. Co., New York; Commercial Standard Ins. Co., Fort Worth, Texas; and other companies on request.
Equipped for investigation, adjustments and trial of cases in all courts in Eastern Tennessee.

TEXAS

UNDERWOOD, JOHNSON, DOOLEY & HUFF

809 Amarillo Building
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Consolidated Underwriters, Commercial Standard Insurance Co., Maryland Casualty Co., Texas Employers Insurance Assn., others on request.
Equipped for investigations, adjustments, trial of all insurance cases state and federal courts, Panhandle and West Texas.

TEXAS (Cont.)

PIPKIN & PIPKIN

304 Gilbert Building
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Equipped for investigations and adjustments Southeastern Texas.

HUBBARD, DYER & SORRELL

City National Bank Building
Corpus Christi, Texas
References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
Specializing in Insurance Law
Equipped for investigation and claims

COKE & COKE

First National Bank Building
Dallas, Texas
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1858-1933
Alexander S. Coke Henry C. Coke, Jr.
Rosser J. Coke Julian B. Mastin
Richard W. Coke Thomas G. Murman
John N. Jackson

SANER, SANER & JACK

Twentieth Floor Republic Bank Bldg.
R. E. Saner Jno. C. Saner
Wm. H. Jack, Jr.
Equipped for investigations, adjustments, trial of all insurance cases, State and Federal Courts.
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Cantey, Hanger & McMahon

15th Floor Sinclair Building
FORT WORTH, TEXAS
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(1882-1924) Alfred McKnight
William A. Hanger Gillis A. Johnson
Mark Mahon B. K. Hanger
W. D. Smith
Investigations, Adjustments, Trial All Cases

COLE, PATTERSON & COLE

Citizens State Bank Building
Houston, Texas Galveston, Texas
Robert L. Cole, Sr. J. W. McDaniel
Bennett B. Patterson Harold A. Thuraw
Robert L. Cole, Jr. R. E. Owens
Seymour Lieberman
Standard Accident Insurance Company of Detroit.
Chicago Lloyds.
United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

BOYLES & ATKINSON

First National Bank Building
Houston, Texas
Edward S. Boyles
Norman Atkinson
M. S. McCorquodale
M. F. Gibbons
Willard L. Russell

BLEDSON, CRENSHAW & DUPREE

First National Bank Building
Lubbock, Texas
Representing U. S. F. & G. F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others.
Trial of all insurance cases in all courts. Equipped for investigations—Adjustments—Settlement of claims in plains Country.

BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building
San Antonio, Texas

(Continued next page)

INSURANCE ATTORNEYS

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TEXAS (Cont.)

JOHN McGLASSON

608-9 Amicable Building
Waco, Texas

Equipped for investigations, adjustment and settlement of claims and trial of cases in State and Federal Courts.

UTAH

Stewart, Stewart & Carter

1105 Continental Bank Building
Salt Lake City, Utah

Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

VIRGINIA

W. SHEPHERD DREWRY

241-244 Law Building
Norfolk, Virginia
Indemnity Insurance Co. of N. A., United States Fidelity and Guaranty, Bankers Indemnity Co., Fire Association of Phila., American Indemnity Co., All State Insurance Co.
Equipped for investigations, adjustments and trial of all insurance matters in State and Federal Courts.

T. RUSSELL CATHER

34 Rouss Ave.
Winchester, Virginia
New York Life, Maryland Casualty, American Surety Co.
Equipped for investigations, trial of all cases, State and Federal Courts and Commissions.

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ALLEN, FROUDE & HILEN

Northern Life Tower
Seattle, Washington
U. S. F. & G., Northwestern Mutual Life Ins. Co. Others on request.

EGGERMAN & ROSLING

1824 Exchange Bldg.
Seattle, Wash.
United States Fid. & Guar. Co., Maryland Casualty Co., and others.
Trial of all insurance cases in State and Federal Courts in western Washington.

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403-04 Fourth & Pike Bldg.
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Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

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Insurance Building
John W. Roberts
E. L. Skeel
Tom W. Holman
Frank Hunter
Erre H. Holladay
Lawrence Booth, Jr.
W. B. McKeary
Wm. Paul Uhlmann
Harry Henke, Jr.
W. H. Eronson
Robert H. Grace
SEATTLE

WASHINGTON (Cont.)

DANSON, LOWE & DANSON

Paulsen Bldg.
Spokane, Washington
Maryland Casualty Co., U. S. F. & G. Co., and others on request.
Investigations and trial of all insurance cases in state and federal court.

PEDIGO, WATSON & GOSE

218 First National Bank Bldg.
Walla Walla, Washington
American Automobile of St. Louis, Great Lakes Casualty Company of Detroit. Others on request.
Equipped for investigations, adjustments, trial of all insurance cases, State and Federal Courts, South-eastern Washington.

BONSTED & NICHOSON

Miller Building
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Loyalty Group, Pacific Indemnity, & others on request. Equipped for investigation and adjustments, trial of all insurance cases in federal and state courts.

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PAYNE, MINOR, RAY, MAIER & DAVIS

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recals as such, but not to reciprocals as they do to companies in general, he said. The exchange has no stock or other evidence of common ownership.

Blackmar said that it was Rankin-Benedict's duty and right under the circumstances it faced to file a voluntary petition in order to protect the rights of all policyholders and subscribers. Urging that Rankin-Benedict was the real factor in the exchange's business, he explained that the attorney-in-fact paid all salaries, leased quarters, owned the furniture, etc. It isn't the exchange but the attorney-in-fact that is licensed by states.

Operations Are Revealed

Felder, G. C. West, president of Rankin-Benedict, and Mr. Alley, contributed the bulk of testimony from the stand.

On Dec. 1, Alley said, four out of seven Rankin-Benedict directors voted for the voluntary petition. Coats, Hook and C. H. Isbell did not vote for it. Coats did not mention at this meeting that he had been, the day before, elected substitute attorney-in-fact.

Annual premiums on approximately \$315,000,000 of non-participating business are around \$2,500,000; and on approximately \$75,000,000 of participating

business, over \$1,000,000, Fielder testified. These are Oct. 31 figures. The exchange has about 45,000 policies outstanding. These are on property of 27,000 non-participating subscribers, and about 1,500 participating subscribers, he said. Bonds were carried at about \$400,000 on Oct. 31.

The exchange operates in 34 states and in five Canadian provinces. In Missouri it has, according to Fielder, an escrow deposit of \$50,000; in Canada, bonds of \$156,000; in Georgia, \$10,000 in bonds; in South Carolina, an Employers Reinsurance \$10,000 qualifying bond; in Virginia, a \$10,000 qualifying bond written by Central Surety, and in Oklahoma, a \$5,000 qualifying bond underwritten by Central Surety.

ARKANSAS PERMIT REVOKED

LITTLE ROCK, Dec. 16.—An order revoking permit of the Manufacturing Lumbermen's Underwriters to do business in Arkansas has been issued by Commissioner Gentry. It had approximately \$10,000,000 worth of insurance in effect in Arkansas last year.

O'Malley Issues Drastic Orders as to Reciprocals

(CONTINUED FROM PAGE 5)

renewed to such subscribers; further that such a power of attorney must likewise be obtained from each company, association, or group of individuals which cedes any reinsurance to the exchange.

"2. Copies of the power of attorney now or hereafter used must be filed with the superintendent, together with copies of all policy contracts issued or inter-exchanged.

Audit Bureau Regulation

"3. In the event any reciprocal or inter-insurance exchange changes or revises its power of attorney, the attorney-in-fact shall immediately require all subscribers, both old and new, to execute the new power of attorney in order that all such powers of attorney in the possession of the attorney-in-fact shall at all times be identical.

"4. No exchange shall be permitted to renew or issue or inter-exchange non-participating and/or non-assessable contracts of insurance.

"5. All fire and lightning, tornado, windstorm and hail, and hail on growing crops rates and rules must be filed with this department in accordance with Section 5860 revised statutes of Missouri, 1929, and such rates and rules must be maintained.

"6. All daily reports covering on fire and lightning, tornado, windstorm and hail, and hail on growing crops insurance must be passed through, and audited by, the Missouri Audit Bureau, St. Louis.

"7. You are hereby directed to immediately proceed with the necessary arrangements to file all required rates and rules with this department either through an organized rate making agency or directly from your company, and also furnish evidence of your membership in the Missouri Audit Bureau."

Items Caught on the Fly at Commissioners' Muster

(CONTINUED FROM PAGE 5)

commodate the annual meeting June 21 to 23. Some objected to the date and desired the meeting earlier in the month, so the subject was left with the executive committee.

* * *

Some of the fire company officials present were J. C. Harding, western manager Springfield F. & M.; Secretary John L. Mylod, North British & Mercantile; President John R. Cooney, Firemens; Agency Superintendent R. S. Danforth, Millers National; Vice-president J. R. Plummer, Commercial Standard of Ft. Worth; Vice-president Otto Patterson, American Automobile; Vice-president Orville Davies, General Exchange; Western Manager V. L. Gallagher and Agency Assistant

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U. S. Statement June 30, 1936

PREMIUM RESERVE	\$ 1,975,486.52
OTHER LIABILITIES	686,752.12
SURPLUS TO POLICYHOLDERS.....	10,819,242.47
TOTAL ASSETS	13,481,481.11

Bonds & Stocks valued on New York Insurance Department Basis. Securities carried at \$623,755.74 in the above statement are deposited in various States as required by law.

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Young E. Allison, Pearl; Vice-president William Quaid, Southern Fire; Arthur Borg, advertising manager Home; Vice-president Lamar Hill, America Fore.

W. H. Bennett, secretary National Association of Insurance Agents, returned by way of St. Louis, conferring there with some of the agency leaders.

"Mike" Smith, Texas state agent Firemen's, joined President Cooney at Hot Springs.

H. L. Thomas, vice chairman of the reception committee, is president of the Pyramid Life of Little Rock.

J. W. Dodson, Hot Springs local agent who was on the entertainment committee, owns a large tract near Humboldt

Lake called "Dodson's Aires," where there are a number of summer places.

H. C. Schmidt of Nevada, who was present at this meeting, being the insurance commissioner, stated that he held 12 official titles, having jurisdiction over that many departments.

Mrs. M. L. Fairchild, efficient Nebraska deputy representing her state, has been in office for 20 odd years and she is very well-known.

The **Western Conference of Insurance Commissioners** met, presided over by Earle of Oregon with Ham of Wyoming as secretary. The Pacific Mutual situation was discussed and full approval was given the convention examination plan provided for at the St. Paul meeting.

Bowen of Ohio stated he was perhaps in a different position with regard to the Pacific Mutual from any other commissioner as he carries a "noncan" policy and as an agent sold many such to clients.

Blackall of Connecticut presented the vote of thanks to Arkansas, saying it was the first commissioners' meeting ever held in the state.

The **uniform code committee** will gather information from all states now in process of formulating codes or those having recently having such passed and will disseminate the data to all members.

Gentry of Arkansas stated that the special insurance committee of the American Bar Association dealing with unauthorized insurance feared that its first suggested legislation would be held unconstitutional and hence is working on a new bill.

The **visiting women** were taken on an automobile trip and were entertained at a bridge luncheon.

Miss Alta Smith of Hot Springs, who was on the publicity committee, is a well known newspaper woman and is publicity director of the local chamber of commerce. Her great ambition is to have Hot Springs become the celebrated Spa of this country.

Guy McDonald of San Francisco, associate editor "Insurance Field," was present as the press representative of the California department.

Commissioner Hammond of Delaware and Mrs. Hammond were popular people at the convention.

The **Arlington** gave each conventioneer a complimentary ticket for one bath and treatment at the governmentally controlled baths.

The audience was taken by surprise at the usual calm **Pink of New York** in

his vigorous defense of his position on the convention examination system. He spoke with deep feeling, courage and vehemence. There was no mistaking his stand. Superintendent Pink has gained in ease and fluency of expression since he came into his position.

C. W. Fairchild, acting manager Association of Casualty & Surety Executives, took a night plane to San Francisco.

Eric Rogers of Jonesboro, Ark., former president Arkansas Association of Insurance Agents, and Mrs. Rogers, had their beautiful little daughter on the trip.

The committee to consider **revision of the fire policy**, Pink of New York chairman, while finding companies not seeing necessity for change except in minor instances, did discover some buyers and producers groups citing the advantage of clarifying and modernizing the form.

Insurance Section Committees

Jesse A. Miller of Des Moines, chairman of the insurance section of the American Bar Association, has appointed his standing committees, E. L. Wright of Little Rock being chairman automobile insurance law and R. G. Rowe, Lumbermen's Mutual Casualty, Chicago, vice-chairman. M. B. Kennedy of Chicago is chairman of casualty insurance law, and George Siefkin, Wichita, Kan., vice-chairman. P. E. Reeder of Kansas City, Mo., is chairman of the fidelity and surety law, and A. J. Lilly, Maryland Casualty, vice-chairman. Chase M. Smith of the National Retailers Fire of Chicago is chairman of fire insurance law committee, and J. Kemp Bartlett, Jr., United States Fidelity & Guaranty, is vice-chairman. Frank E. Spain, Liberty National Life, Birmingham, is chairman of the health and accident committee and V. J. Skutt, Mutual Benefit Health & Accident of Omaha, vice-chairman. John F. Handy, Massachusetts Mutual Life, is chairman of life insurance, and R. A. Tolbert of Oklahoma City is vice-chairman.

Marine Committee

J. Harry LaBrum of Philadelphia is chairman of the marine and inland marine, and C. S. Shank of Seattle, vice-chairman. E. W. Patterson, Columbia University, New York City, is chairman qualification and regulation of insurance companies, and A. T. Vanderbilt, Newark, N. J., is vice-chairman. C. F. Robinson of Portland, Me., is chairman of the workmen's compensation and employers liability, and Gay Gleason, Employers Liability, vice-chairman. Arthur G. Powell of Atlanta, Ga., is chairman of interpleader legislation, and Z. Chafee of Harvard Law School, vice-chairman. Ernest Woodward, Louisville, is chairman of law lists, and

The committee will make further study of the suggestions for amendment.

O. E. Aleshire, Chicago local agent and national treasurer Modern Woodmen, hobnobbed with the National Fraternal Congress people.

Major M. J. Harrison, who is scheduled to be the new Arkansas commissioner, and Mrs. Harrison were prominent on the reception committee.

R. C. Wade of Louisville, state agent of the State of Pennsylvania, who travels in a far flung empire, including Arkansas, dropped in at the hotel.

Miss M. L. Gore of R. A. Napier & Co., Chicago, was spending her vacation at the Arlington.

William Quaid of the Home closed the season, with Hot Springs being his 27th convention this year, but he had no Kaukauna Club cheese on this trip.

J. E. Bingham of Indianapolis, vice-chairman. E. S. Gambrell of Atlanta is chairman of lay adjusters, and W. C. Jainsen, Hartford Accident & Indemnity, vice-chairman.

Membership Committee

W. L. Clark of Baltimore is chairman of the membership committee, and C. W. Morris of Louisville, vice-chairman. Lewis Benson of Huron, S. D., is chairman of prospective legislation, and John M. Slaton, Atlanta, is vice-chairman. H. V. Richardson of Detroit is chairman of social security and unemployment insurance law, and J. H. Collins, New York City, vice-chairman. G. W. Yancey of Birmingham is chairman unauthorized insurance companies, and H. S. Moser of Chicago, vice-chairman.

The subcommittee to confer with the conference of insurance commissioners is Lamar Hill, America Fore, New York City; Robert E. Hall, Aetna Life, Hartford, and W. E. Stanley, Wichita, Kan.

The members of the council consist of the officers and W. E. Stanley, Wichita; M. U. Hayden, Detroit; Lamar Hill, America Fore, New York City; L. P. Kristeller, Newark; J. W. Cronin, Boston; Eugene Quay, Chicago; John A. Luhn, Fidelity & Deposit, Baltimore; H. D. Brown, Detroit, and J. S. Lewis, Ponca City, Okla.

Smoke & Cinder Christmas Party

The Smoke & Cinder Club of Pittsburgh staged its Christmas party Monday night.

Miscellaneous Notes

Walter William & Co., Dalles, Ore., has been awarded a memorial for completion of 25 years representation by the North America. The presentation was made by C. F. Carlisle, special agent.

Clarence Kemp, with the Heber J. Grant & Co. general agency of Salt Lake City for several years, has been placed in charge of the policy department to succeed Miss Ethel Grosebeck, who died recently.



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The NATIONAL UNDERWRITER

December 17, 1936

CASUALTY AND SURETY SECTION

Page Thirty-seven

Disease Control Methods Reviewed

Du Pont Medical Director Says Frequent Physical Examinations Are Imperative

PROBLEM UP TO INDUSTRY

Mechanical Control Has Limitations Because Devices Must Be Constantly Checked for Imperfections

NEWARK, Dec. 16.—"The Prevention of Occupational Diseases" was discussed by Dr. G. H. Gehrman, medical director of E. I. Du Pont de Nemours & Co. at a meeting of the New Jersey Health & Sanitary Association in Asbury Park. Industry, he pointed out, is obligated to adopt measures which will prevent occupational diseases. Although many occupational diseases are now recognized, there are many others which scientific study and clinical observations will develop in the future. With the development of new chemical processes, new hazards will be created; further and new occupational diseases will appear.

All occupational diseases, Mr. Gehrman stated, can be prevented by the elimination of all dusts and fumes, and by preventing all skin contacts. Unfortunately, this program of complete elimination of dust and fumes, although theoretically sound, is practically unsound. The most perfect process of manufacture, designed to eliminate all dusts and fumes, will not continue to function without developing leaks. Further, he stated, this same equipment must be subjected to repairs from time to time and the mechanics performing this work are usually subjected to greater risks than the operators.

Caused by Long Exposure

Most occupational diseases are caused by exposure continued over a long period of time. Silicosis usually develops after an exposure of years, bladder tumors after an average exposure of 11 years. Lead poisoning is in most instances chronic.

The mechanical control of occupational disease is an engineering problem and often means the installation of new and specially designed equipment. In some instances, adequate ventilation will relieve the situation; in others the operating process must be changed from an open to a closed one. Rarely, if ever, is it possible to substitute nontoxic for toxic materials in a manufacturing process. After the installation, mechanical protective equipment must be frequently checked by accurate methods of air analyses and these analyses must be made at positions in the workroom which represent the location and levels of the workers' respiratory intake. This chemical control, Dr. Gehrman stated, must be set up in such a manner as to

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Bowen Committee Studying Group Accident and Health

TENTATIVE BILL PREPARED

Proposed Standard Provisions Also Presented at Commissioners' Meeting—To Make Recommendations in June

A preliminary report of the committee on group accident and health insurance of the National Association of Insurance Commissioners, of which Superintendent Bowen of Ohio is chairman, was presented at the commissioners' meeting at Hot Springs, Ark., including a tentative draft of a bill to provide standard provisions for group accident and health policies and a model form for a group accident and health policy, which was prepared after the committee had secured copies of the group policies now issued by the principal companies writing that line and collated what it regarded as the most desirable features for incorporation in such a policy.

Proposals Wholly Tentative

A meeting of the committee was held prior to the presentation of the report, and was attended by accident and health men who were in attendance at the commissioners' meeting. None of those present felt qualified to speak as an expert on group accident and health insurance, but from the standpoint of the business generally, the provisions proposed appeared to be entirely satisfactory.

It was emphasized that both the proposals are wholly tentative, intended to allow further study of the proposition prior to the June meeting of the commissioners, when the committee expects to present definite recommendations. The standard provisions bill in its present form is not intended for introduction at any of the legislative sessions which will start in January. The committee desires to study the provisions along that line in the insurance code measures which will be introduced in Illinois and other states, including possibly New York. There was also some sentiment in favor of including a definition of group accident and health insurance.

Provisions in Proposed Bill

The principal provisions in the tentative bill include a requirement for filing with the insurance department; that statements in application shall be deemed representations and not warranties; that insurability shall not terminate by reason of age alone until age 70; for adjustment of the premium or amount of insurance in event of a misstatement of age; requirement of delivery of individual certificates to employees; employer to furnish names of employees to be added to the group or those whose insurance is terminated; premium adjustment corresponding to a changed condition or termination of service to be granted; written notice of injury or sickness to be required, with no action to recover on policies to be brought until 60 days after proof of loss is filed, nor later than two years thereafter.

The provisions proposed in the suggested policy form, which is not to be regarded as a standard policy, include classifications as to earnings and as to

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Would Have State Treat Those Injured by Autos

PROPOSAL IN CONNECTICUT

Commission Advocates Fund to Pay Medical Costs of Victims Up to \$300

The financial responsibility commission in its report to Governor Cross of Connecticut recommends that a state fund be created, from which the medical, surgical, hospital and nursing expenses of every Connecticut resident injured in an auto accident on the highways of the state would be paid, up to a maximum of \$300. The state would undertake to recover the money from those drivers found at fault or, failing to recover, would have the authority to rule them from the roads. The commission consists of Superior Judge McEvoy, Commissioner Blackall and Motor Vehicles Commissioner Connor.

Would Need \$750,000 a Year

The commission estimates that a fund of about \$750,000 a year would be needed. The committee does not make specific recommendations on how the fund should be raised but suggests that at first it might be done by a \$2 assessment on registration. In view of the fact that the fund would be reimbursed for some of the money paid out, lower fees might be sufficient thereafter.

A suggestion was made that the compensation commissioner might handle the administration of the fund.

Injured persons should be treated expeditiously and without delay and without any reference as to whether there is fault or ultimate recovery on the part of the injured person, according to the commission. The limitation to accidents occurring on the highways would include city streets and country roads, but it would not include accidents in private driveways or on other private property.

In recovering from the driver, the fund would proceed against the insurer, if the driver were insured. If not in-

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Joseph Futz Blossoms Out in Realm of Poetry

EIGHTY-FOUR, PA., Dec. 16.—Members of this celebrated community were highly honored this week by the receipt of handsome Christmas cards from Joseph Futz, robust and stirring insurance man. Joseph devised a very clever scheme. He had a four-page card. On the front page appeared the words "Merrie Christmas." Also there was almost a living likeness of Joseph taken in evening clothes with a long tailed dress coat. This was taken in Pittsburgh when Joseph was attending the great insurance convention there, he renting the suit at the photographer's to get his picture taken.

On the second page appears, "A message to policyholders, prospects, neighbors, friends, distinguished and eminent insurance executives."

On the third page is an original poem by Mr. Futz. No one dreamed that

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Subnormal Risks Bay State Problem

Compulsory Auto Liability Statute Fails to Take Care of That Hazard

BREEDS NEW COMPANIES

Many Operators in State Have Thrived on Borderline Risks Until Day of Reckoning Arrived

BOSTON, Dec. 16.—If the unique Massachusetts compulsory automobile liability insurance act has one distinguishing fault, it is the failure adequately to provide for the very considerable number of unprofitable and undesirable reckless and careless drivers who are held responsible for the high rates and unfavorable experience.

Nominally, a board of appeal is supposed to protect the companies against the necessity of having to insure drivers with unsavory records. In addition, the registrar of motor vehicles regularly rules off the road a considerable number of liquored drivers and other undesirable.

Problem of Sub-Normal Class

Notwithstanding, accidents mount steadily and through the cumulative efforts of ambulance chasing lawyers and unscrupulous doctors, the insurance companies continue to find too great a proportion of bad risks on their books. The registrar finds it hard to keep up with the malefactors and the companies do not find the appeal board as sympathetic as they would wish.

What to do with and for the sub-normal class is the problem. There is one answer which has been tried out once in the commonwealth, to the sorrow of many insured, and there is some indication that Massachusetts' previous experience has not yet been taken too seriously.

Got Questionable Risks

Back in 1927 and 1928 a considerable number of casualty companies, principally mutuals, sprang up to make a bid for the compulsory liability coverage of the motorists. The established companies had many applicants they were reluctant to place on their books with the result that questionable risks in great number went to the new companies.

These new companies found it easy to get a charter in Massachusetts. The requirements were met with, a license was issued and the companies started off with the required number of risks on their books. Money poured in and premiums were piled up. But it was a different story when the claims came in.

Claimants were met with the statement that the company's liability began only after the court had determined the award. Claimants must first have their cases tried out in court. But the courts were congested. Under the conditions

(CONTINUED ON PAGE 40)

Much Interest in Report Commissioner Hunt Gives

WARNING NOTE IS SOUNDED

Cost of Insurance With Social Security
Element Must Be Studied More
Carefully, He States

Commissioner Hunt of Pennsylvania at the closing session of the insurance commissioners convention at Hot Springs, Ark., touched on two classes of insurance with a social security aspect, viz., industrial life and workmen's compensation insurance, both having to do largely with people of lesser incomes. He stated very bluntly that they really belong to the category of government insurance and predicted, if cost to buyers is not studied with greater care and reduced, the time will come when the government may take both over under its social security program.

Effect on Private Enterprise

The advent of social security as a government function, he said, will hereafter bar the most human forms of insurance dealing with people in the lower brackets from private enterprise.

He asserted that 59½ percent of all the people here eligible for gainful employment in the best years of prosperity in 1928 and 1929 earned less than \$2,000 a year. Commissioner Hunt averred that all forms of insurance giving protection to the wage earners and in fact to all with rather small incomes will more and more become a governmental function.

Agents Are Urged to Push Higher Liability Coverages

The American Casualty is strongly urging its agents to push at least the 10/20 contract in selling automobile owners' liability. Officials of the company said court records throughout the nation offer conclusive evidence that the old 5/10 limits are no longer sufficient, since the present tendency of juries to render stiff judgments often leaves the policyholder liable for a substantial sum beyond the limits of his policy.

If possible the client should carry 25/50 coverage to be safe. The company feels that the agents have a moral obligation to see that the policyholder has the higher coverage since, if a heavy judgment is returned, the assured cannot always see why his policy does not cover the entire judgment.

A case of one of the company's assured is cited. He operated a grocery and his truck was protected with a 5/10 contract. While driven by the assured's brother, the machine struck a seven-year-old boy, causing permanent injury, including a clubfoot, to the victim. After efforts were made for a reasonable settlement, the case went to court and a verdict of \$6,000 was returned, with the result the assured has agreed to pay the excess \$1,000 to the boy's father in merchandise from his store.

Bans "Bank Night Insurance"

SPRINGFIELD, ILL., Dec. 16.—Attorney General Kerner in an opinion to Insurance Director Palmer holds that "bank night insurance," run in conjunction with bank night lotteries at theaters is illegal. In a previous opinion, the attorney general ruled that bank nights are plain lotteries and therefore are illegal.

In some places in Illinois the "insurance" certificates have been sold for 10 cents each, guaranteeing the holder that if his name is drawn at the bank night he will be paid a certain amount of cash, regardless of whether he attends the theater at the time of the drawing.

Embezzler Ordinary Man With No Criminal Traits

Pertinent facts describing the typical American embezzler have been compiled by the United States Fidelity & Guaranty in a study of 1,001 cases of embezzlement drawn from its recent files. The survey clearly demonstrates that the average embezzler is an ordinary person with no criminal instincts, but who by force of circumstances was forced to borrow from his employer's funds with the firm purpose of reimbursing the cash drawer, but was never successful in so doing. Because of these findings the U. S. F. & G. will develop its future sales approach around this angle and will soft pedal gambling, women and liquor, the usual causes of embezzlement.

It is hitherto honest men and women employed in American business who embezzle an estimated \$200,000,000 yearly from their employers, said President E. Asbury Davis of the U. S. F. & G. in commenting on the findings. The typical American embezzler is a white collar worker. He is 36 years old, has a wife and two children. He does not live in a low rent neighborhood where crime is abnormally widespread. His upbringing has been good. He has a high school education. He lives comfortably. His friends and very often his wife imagine that his salary is higher than it is. He has a medium priced automobile. His traveling has been confined to his two-week summer vacation period. He is a good mixer, participating normally in social and community affairs. He enjoys a good time, likes a drink, but he rarely takes it during business hours.

"He lives," says the report, "in every state, in every province in Canada, is employed in every type of business. He is a competent worker. His employer regards him favorably and he has honestly earned the position of trust to which he has attained. In short, so far as his past record is concerned, he is a

Residence Liability Sales Pointers Given in Playlet

Residence liability is a good casualty line for the average agent to push, W. C. Smith and L. E. Jones, special agents Hartford Accident, Columbus, demonstrated in a 15 minute playlet before the Cincinnati Fire Underwriters Association. Mr. Smith acted the part of the agent and Mr. Jones as the prospect said that he wasn't interested in a residence liability policy because his home was on a quiet street which had practically no pedestrian traffic and he employed no domestic servants. Mr. Smith pointed out that he employed a man to cut the grass occasionally and Mrs. Jones had a colored woman come to do her cleaning. There were possibilities of a damage suit in the event of injury of salesmen, delivery men, and children's playmates on his property.

Liability Loss Possibilities

In a fire, Mr. Smith, said, the only loss is the value of the property destroyed, but cases have been settled for injuries for more than the entire value of the property. A three year residence liability policy with \$25,000-\$50,000 limits costs but \$24.

A liability policy would not cover accidents caused by Mr. Jones' dog. Although the dog was small and had a good disposition, children could be easily frightened enough to run into the street in front of a passing automobile. If the case came to court, the dog would be held the primary cause of the accident. A three year policy covering both residence and dog liability may be obtained for \$54.80. Playful puppies may cause serious accidents.

normal individual with a better than average business reputation and prospective future."

In tracing the histories of 1,001 embezzlers, 963 men and 38 women, it was found that the employee who goes wrong may simply be a poor business man, or that he obtains or extends credit unwisely. He does not always benefit in the process of the embezzlement.

It may be that he is overly ambitious, operating a business of his own on the side, the demands of which lead him to borrow from his employer's funds. Or his employer may be lax in supervision and therefore, the temptation greater than should be the case. It may be that in one way or another he permits debts to accumulate and then seeks to ease the pressure of creditors by paying them with his employer's funds.

The typical embezzler is often overtaken by domestic troubles which lead him to spend beyond his means. He may have a spendthrift or nagging wife, or a wife who is an invalid. He may have ailing children or an ambitious family whose demands cannot be met by his income. His family may feel that it has to "keep up with the Joneses." His sons or daughters may have become pressing social or financial problems. His wife may be unfaithful, or he himself may fall victim of an all-consuming infatuation for another woman, which will cause him to spend recklessly. On the other hand, he often succumbs to an over-indulgence in liquor—to gambling or speculation, "dipping into the till" or "kiting" his accounts to satisfy his thirst or recoup his losses.

Frequently, an unexpected emergency, created by death, sickness, or personal financial loss, he claims as the cause for his committing his first but fatal defalcation, after which he may continue for a considerable period hoping that some fortuitous circumstance will extricate him from his trouble. When, finally, he finds himself hopelessly involved, the typical embezzler is much more likely to commit suicide or break down and confess than he is to abscond. When he does abscond, however, it is usually "with the other woman." When he is brought to book, it is found that he has little or none of the property or money which he embezzled.

Facts on Losses

The 1,001 embezzlers got away with more than \$6,000,000 worth of their employers' property. The 963 men stole \$6,127,588 and the 38 women stole \$156,918. The average man took \$6,363, the average woman \$4,129.

Although the employer had bonded his employe as protection against possible embezzlement, the losses sustained were nearly 50 percent greater than the amount of protection which had been considered sufficient. In total, the losses exceeded the amount of the bonds by \$2,922,316.28. This figure represents the loss to employers and is a measure of their error in judgment regarding the hazard of embezzlement.

Of the men, 798 or 83 percent were married, 20 divorced or separated and four were widowers. Of the women, 17 were single, one a divorcee and four were widows. Nearly 86 percent of the men had dependents. Eleven of the women had dependents.

Young and old were among the embezzlers, the youngest being 18 and the oldest 85 years. Nearly 44 percent of the men were between the ages of 30 and 40, 36 and eight months being the

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Again Set Ahead Date for the New I. C. C. Truck Rules

FEB. 15 IS NOW STIPULATED

Commission Found Job Too Big to
Complete by Dec. 15 Deadline—
Small Operators Big Problem

The Interstate Commerce Commission has postponed the date on which interstate carriers and brokers of interstate transportation will be required to secure certificates of authority to Feb. 15. This procedure includes the filing of public liability, property damage and cargo liability policies, bonds and other evidences of financial responsibility. The original effective date was Nov. 15, and was later postponed to Dec. 15. The latest postponement came only a few days before the scheduled effective date.

The postponement was no surprise to interested insurance men, most of whom had expected an earlier announcement. In the opinion of most observers, the commission has simply found the job too big to complete in a limited time. Many insurance men doubt that the present effective date of Feb. 15 will be adhered to and anticipate still more postponements.

Truckmen Not Educated

Observers point out that it has taken the commission many years to bring railroads to their present state of regulation, in spite of the fact that railroads are tied down to tangible rights of way, fixed locations, etc., have in every case a definite capital and are managed by men reasonably familiar with law and the operation of governmental bodies. To expect to accomplish the same results in a few months with thousands of small truckmen, often with little or no education, most of whom started in business on a shoestring, and who have operated with no thought of insurance or any idea that they might be responsible to Washington, has simply been too much.

The large truck lines had all qualified and obtained their licenses, or were in a position to do so with little difficulty, but the vast majority of the small operators were completely baffled by the thought of showing a necessity for their operation. Had the regulations been rigidly enforced on Dec. 15, most of the small truckmen in the country would have had to go out of business or become technical outlaws.

New Pacific Mutual Gets Licenses in Most States

ST. PAUL, Dec. 16.—On his return from the commissioners' meeting at Hot Springs, Commissioner Yetka of Minnesota indicated that his attitude toward the reorganization of the Pacific Mutual has not changed and that he will continue to refuse to license the new company. Whether the company will go into court to compel licensing in Minnesota is uncertain though there was talk of this some time ago.

APPROVED IN IOWA

DES MOINES, Dec. 16.—Commissioner Murphy has approved the granting of authority to the new Pacific Mutual to engage in business in Iowa. While attending the meeting of the commissioners association Mr. Murphy proposed and had adopted a resolution expressing confidence in the plan of Carpenter of California for conservation of the company.

LICENSED IN COLORADO

DENVER, Dec. 16.—The reorganized Pacific Mutual has been admitted to Colorado. The decision to license the company followed attendance at the commissioners convention by Commissioner Cochran and Assistant Attorney-general Donaldson.

Quebec Court Bars Omnibus Clause in Auto Liability

LACKS INSURABLE INTEREST

Case to Be Appealed—Dissenting Judge Points to Wide Effect If Ruling Stands

Although it is considerably discounted, much interest has been taken by insurance men in a Quebec decision holding the omnibus clause in an automobile liability policy invalid and ineffective, because the named insured has no insurable interest in the defense of claims brought against persons under the omnibus clause. The decision will be carried to the supreme court of Canada. It was rendered in the court of king's bench, appeal side, at Quebec. It seems to be equivalent to a state supreme court decision. Two judges dissented, the other three joining in the decision.

The decision seems to imply a misconception of insurable interest. Webster's definition is, "Such an interest in the subject of insurance as would suffer legal damage, detriment or prejudice in the event of the happening of the perils insured against."

The insurable interest is required only in the person claiming the benefit of the insurance. It is, of course, obvious that the person coming under the omnibus clause has a vital interest in the defense of a suit and payment of damages, so that his insurable interest is beyond debate. The Quebec court failed to find any insurable interest of the named insured in suits against the person coming under the omnibus clause. Yet it is one of the best established principles of law that one individual may make a contract for the benefit of another.

Furthermore, the doctrine of insurable interest comes from the English law, and under that law for many centuries similar insurances have been effected and paid.

The decision was rendered in a guest case and there is a famous saying that "hard cases make bad law." The named insured lent his automobile to his brother. The brother had an accident and a guest riding with him was injured. The injured passenger brought suit and got judgment for \$9,170. The brother who borrowed the car called upon the Canadian Indemnity to defend the suit and pay the damages, under the omnibus clause of the owner's policy. The Canadian Indemnity refused to pay on the ground that the omnibus clause in its contract was not enforceable, as it was against public order to insure where there was no insurable interest. The company's defense is sustained by the decision. Straight laced courts dislike suits by one friend against another to mulct a third party.

One of the dissenting judges pointed out that if the omnibus clause has no legal value, the principle of the case will affect certain marine contracts, contracts where employers pay accident and health premiums for the benefit of their workmen, many transportation policies, and policies of an employer which also protect the employee, as automobile or truck policies which protect the driver as well as the owner.

Honor Reid's 25th Anniversary

NEW YORK, Dec. 16.—In observance of the 25th anniversary of the founding of the Globe Indemnity and of President A. Duncan Reid's official connection with it, nearly 500 employees of the company tendered their chief a dinner here last evening. Members of the staff through selected spokesmen voiced their appreciation of the consideration ever shown them by Mr. Reid and assured him of their continued enthusiastic support. They presented him a grandfather clock.

Pacific Mutual Settlement Is Relief to the Business

Insurance men generally will be greatly pleased that the affairs of the Pacific Mutual have been straightened out without recourse to reinsurance or sale and that eventual complete mutualization of the company will result under the Carpenter plan which has now after several weeks' hearings, been declared legal by Superior Judge Willis of Los Angeles. Now that the smoke of the battle has cleared away, and agents and others have returned to their homes, it is easier to get an idea of what has actually been taking place with regard to the company.

The attempt of the Giannini interests to secure control was the high light. This plan would have prevented mutualization and would have resulted in two stock companies, one to take care of the unprofitable non-cancellable disability business. Possibly the life business would have been reinsured in the Occidental Life, a subsidiary of the Trans-American Corporation, of both of which L. M. Giannini is president.

Long Rivals in Field

As far back as 1929, and earlier, during the expansion period, the Giannini interests and those headed by Messrs. Phillips and Cochran, chairman and president respectively of the Pacific Mutual, have been rivals in the financial field in southern California. Many promotions of new enterprises were undertaken by both factions. The participation of Messrs. Phillips and Cochran in these promotions brought a suggestion of participation by the Pacific Mutual, in spite of what the other officials of the Pacific Mutual could do to show that the company itself was being kept clear of speculative enterprises. Even as late as a few weeks ago there were rumors and stories that the Pacific Mutual's troubles were not alone due to the non-cancellable disability, but that it had become involved in the financing of the Phillips and Cochran promotions and had suffered heavy losses in consequence. It was said that while heavy losses had been suffered in the non-can field this was not all of the story and it would be found that the company's assets were largely impaired through unsound investments. As a matter of fact, there appears to be nothing in these stories and while there are a few bad spots here and there in the company's investments, as with most other companies, there is very little loss that could be traced even indirectly to the company's participations in Phillips' and Cochran's enterprises.

As to the non-cancellable disability, which was the backbone of contention, the maximum liability first announced under these contracts will be greatly scaled down and \$16,000,000 is about the figure, in addition to what has already been paid, which the company will probably have to pay as a definite loss under these policies. During the next 10 years all the profits from the regular commercial accident department, all those from the non-participating business, and 10 percent of the profits or dividends of the participating business already in force will go towards the non-can deficit. The new participating business will be entirely free from any of the non-can obligations.

A conservative estimate is that at the end of 10 years there will still be about \$3,500,000 due on the non-can liability. When the company is mutualized, whatever deficit there is will first have to be made good before the stockholders can receive anything from the sale of the company to the policyholders on the installment plan. The company will still continue to write both participating and non-participating and, of

course, whatever profits there are on new non-participating will go to make up the deficit. The mechanics of the mutualization at the end of 10 years have been very carefully worked out. The general agents of the company, who were represented at Los Angeles by a committee of five of the most prominent of their number, made it their particular business to see that there would be no slip-up in the mutualization plans.

In this connection, it is only fair to say that the general agents have done yeoman work in saving the company and right through have stood 100 percent behind President Kemp and Commissioner Carpenter in fighting for the Carpenter plan by which the company would be kept intact and from the hands of outsiders. Without the general agents, it is doubtful whether this could have been done, although Messrs. Carpenter and Kemp have proved a strong team. Mr. Carpenter's salary as insurance commissioner is only \$5,000 or \$6,000 a year, but the smallness of his salary made no difference to him in his single-hearted service through the best he knew how for the policyholders of the company. He was not swayed from his purpose in any way. President Kemp, likewise, a man of large private means, who although only 57 years old would have preferred retirement, has accepted his obligations to the full, and at a small salary for the president of a life company, is prepared to work unceasingly to put the company back in its old position in the insurance world. Another man who deserves much praise, according to those who have been closely in touch with matters, is Vice-president Asa V. Call, who has been much criticized and hated by the opposition for having "started the house-cleaning."

New Spirit Is Shown

Mr. Call, when he was brought in by the president, saw that things were not right and refused to go along with the old organization, which placed him in a hard position; but he stuck to his guns and insisted that the evils in the company be uprooted. The company now has 11 directors, several of whom have been selected by Commissioner Carpenter, and four are still to be named. Most of the old crowd in the company is gone and a new spirit is being shown. While the company outside of its non-can business was highly successful, there was always a spirit at the home office to which some objection was made. This might be called the commercial spirit, or lack of the fiduciary spirit. One of the company's successful general agents went to the home office several years ago, spent some little time there, came home and resigned, taking the general agency for one of the old standard New England companies, as he felt that the atmosphere of the home office was wrong and would lead to trouble.

Of course the company has lost some of its agents, but leading general agents express surprise at the small number of those who have left and also at the smallness of lapse during the trouble, with its attendant publicity. The company expects to write next year at least 60 percent of its usual writings. In the reorganization at the home office at least \$500,000 a year in expenses is being saved and the company has undergone a thorough overhauling with the correction of its non-cancellable disability difficulty which would sooner or later have brought it to disaster. The company was saved by the joint good work of the insurance commissioner, President Kemp and the united body of general agents.

Arex Indemnity Receives Certificate from New York

AN ERNEST BROWN CONCERN

Affiliate of Reciprocal Groups Will Write Casualty and Surety for Their Fire Subscribers

The New York insurance department has issued a certificate to the Arex Indemnity Company, incorporated in 1935, as a participating stock company to write casualty and surety covers for subscribers to the fire reciprocals managed by Ernest W. Brown, Inc. The indemnity organization was formed by Mr. Brown.

The concern will start business when it completes its depository requirements. Authorized capital stock is \$1,000,000 and consists of 100,000 shares of \$10 par value each. Of the total capital 40,590 shares have been subscribed with a fully paid capital of \$405,900 and a paid surplus of \$202,950, which gives the company \$608,850 cash.

W. C. Gould, insurance department examiner, attached to his report affidavits by Mr. Brown as president of the Arex, and W. J. Montgomery as vice-president, declaring that the corporation has this amount in the bank. Another paper lists subscribers to the stock, showing control is held by the reciprocal group managed by the Brown organization, which is known as Associated Reciprocal Exchanges.

List Shareholders

Shareholding reciprocals and stocks held by them are:

Affiliated Underwriters, 7,500; Fireproof Sprinkler Underwriters, 1,480; Individual Underwriters, 7,100; Metropolitan Inter-Insurers, 3,470, and the New York Reciprocal Underwriters, 6,900. This totals 26,450 or more than half of the 40,590 shares so far subscribed. The Theater Underwriters of Philadelphia, another Brown concern, has taken 1,100 shares of Arex and Mr. Brown in his own name holds 25 shares and Ernest W. Brown, Inc., holds 30.

Albany Club's Program

The Albany (N. Y.) Casualty & Surety Club, composed of casualty-surety agents in upper New York state, will conduct an educational program in 1937 with special reference to new classes of insurance. The club plans to secure as speakers home office department officials, experienced field men and representative of the National Bureau of Casualty & Surety Underwriters. The new officers just elected are: President, W. G. Griffin; vice-president, Donald McDonald; secretary, C. R. Royer; treasurer, A. E. Leu; director, John Hans.

Mrs. Perkins Reports Progress

WASHINGTON, Dec. 16.—Committees appointed last May by Secretary of Labor Perkins reported progress at a group meeting with labor department officials today and were told by the secretary that the cooperation of industry, labor safety experts, and engineers, and state health and labor commissions will be needed to stamp out silicosis.

The committees have been studying the problem from the viewpoints of insurance, medicine and engineering. Sixty representatives of industries, workers and organizations interested in the subject were represented at the conference.

New Zurich Appointments

Frank E. Souers, assistant manager of the Travelers in Chicago, has joined the Zurich and will be assistant manager in San Francisco. H. E. Berger, supervising underwriter at the home office of the Zurich, is being transferred to Los Angeles in the same capacity.

Compulsory Law Is Breeder of New Casualty Companies

(CONTINUED FROM PAGE 37)

prevailing it meant three or four years before a case could be tried and judgment secured. With such a delay witnesses disappeared, conditions changed and pertinent facts could not be proven. But the premiums kept coming in and a great bulk of them went into salaries and the maintenance of expensive offices. Of course the final day of reckoning came, and when 1931 came around there were seven local casualty companies in the hands of receivers and many hundreds of thousands of dollars in premiums and claims were unrecoverable.

Provided "Protection"

But the defunct companies had provided the "protection" and saved the regular companies from being swamped with bad risks.

The temptation to start new casualty companies, to cater to the floating risks which provide a considerable premium income, is ever present in Massachusetts and is a matter which is being given serious consideration by the commissioner. He maintains that he has no authority under the law, or power, to prevent the chartering and starting of new compa-

nies to operate under the compulsory law. At present he is engaged in trying to untangle the affairs of one company which has been writing business for something over a year and whose underwriting agency has been placed in the hands of a receiver. Two new companies have appeared on the horizon and several others have made efforts to begin operations. The new companies may have the best of intentions, be well officered and managed and desirous of furnishing protection for classes of drivers who feel they are discriminated against by many of the companies, but the ease with which border line cases may be written and the difficulty of getting profitable lines in sufficient quantity to establish an equitable balance, creates a situation which is a matter of serious study for the department which, naturally, is concerned with the financial soundness of all companies.

Would Have State Treat Those Injured by Autos

(CONTINUED FROM PAGE 37)

sured, the driver would have to reimburse the state from his own pocket and pay any court judgment against him before he was allowed to drive again. In hit-and-run cases or accidents where

no one was found at fault, the fund would pay the medical bills without recovery.

Sometime ago the state medical society proposed a similar plan, but suggested that the money for the fund be raised only from drivers who did not carry liability insurance and the fund would be used only for the benefit of those injured by persons that were not insured.

The financial responsibility commission also recommended reenactment of a law that was repealed in 1931, under which the license of a driver could be suspended until he paid any court judgment against him in a liability action.

A third recommendation was that there be an amendment to the law governing proof of financial responsibility, giving the motor vehicles commissioner definite authority to require the proof if, in his opinion, there had been a violation of the law. The law clearly says that proof of financial responsibility may be required if there has been a court conviction against the driver but it is regarded as indefinite in cases where there is no conviction.

Consensus of speakers at a meeting of the Casualty & Surety Association of Connecticut was that an insurance contract in a strong reputable company should be deemed satisfactory evidence of financial responsibility. The proposed

additional fee of \$2 was criticised, although approval was given to the provision to rule drivers off the road who fail to satisfy court judgments against them, and also the proposal to give the motor vehicle commissioner discretionary power to suspend drivers' licenses prior to their conviction in accident cases. The subject was referred to the executive committee for study and report at the January meeting.

Washington National Has Gala Week in New Home

The Washington National was in party dress this week for its agency convention on its 25th anniversary in its handsome new home office building in Evanston, suburb of Chicago. About 200 field representatives were in Evanston for business sessions and banquet and, while they were in the city, Washington National held open house, during which hundreds of well wishers thronged through the new building, chatted with officers and examined the layout. Heretofore Washington National has been located in Chicago, just across the line from Evanston.

On the seventh floor, where the executive offices are located, a small room was equipped to represent the original home office quarters, with the original roll top desk, old fashioned typewriter, ledger book, etc. This attracted much attention.

The banquet was held Monday evening. President G. R. Kendall was toastmaster and Commissioner McClain of Indiana gave the principal talk in a light and humorous vein. H. N. Lukens, general counsel, presented 25-year medals to Chairman H. R. Kendall, President Kendall, Vice-president L. B. Hoge of San Francisco and N. R. Glenn of Atlanta. The dinner was followed by a dance in which all home office people participated.

Vice-president James F. Ramey presided at the Tuesday morning session. There was a showing of the film "Ho Hum," which has been arranged by the team of Borden & Busse. Hugh D. Hart, who is well known to the business and has been with the Washington National at Memphis for about a year as special ordinary representative, made a talk. Another speech was made by B. C. Burgess, Chicago agent. In the early afternoon divisional and departmental sessions were held until it was time for the open house reception. For this occasion the lobby was lined with flowers given by friends, and the executives' offices were also banked with flowers.

The convention ended Wednesday morning with departmental meetings. Washington National occupies the entire building except for the store space. It is located in Church street in the downtown shopping district of the suburb. It is a thoroughly modern structure. The offices of the executives are equipped with new furniture. Washington National will show an increase in assets of about \$1,000,000 this year and an increase in premiums of about the same amount.

On American Surety Board

A. L. Gates has become a director of the American Surety. He is president of the New York Trust Company.

INSURANCE ENGINEER WANTED

Insurance engineer capable of supervising a district office. Must be thoroughly experienced in all liability lines, elevators, compensation, including knowledge of occupational diseases, automobile fleet, and must be highly experienced in accident prevention.

Give full information regarding personal history, experience and employment in the past 10 years, also references. This information must be contained in first letter. Replies will be held confidential.

ADDRESS D-98, NATIONAL UNDERWRITER

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EQUIPPED TO SERVE BOTH
BUYER AND SELLER

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CHICAGO, ILLINOIS

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CONTINENTAL ASSURANCE COMPANY

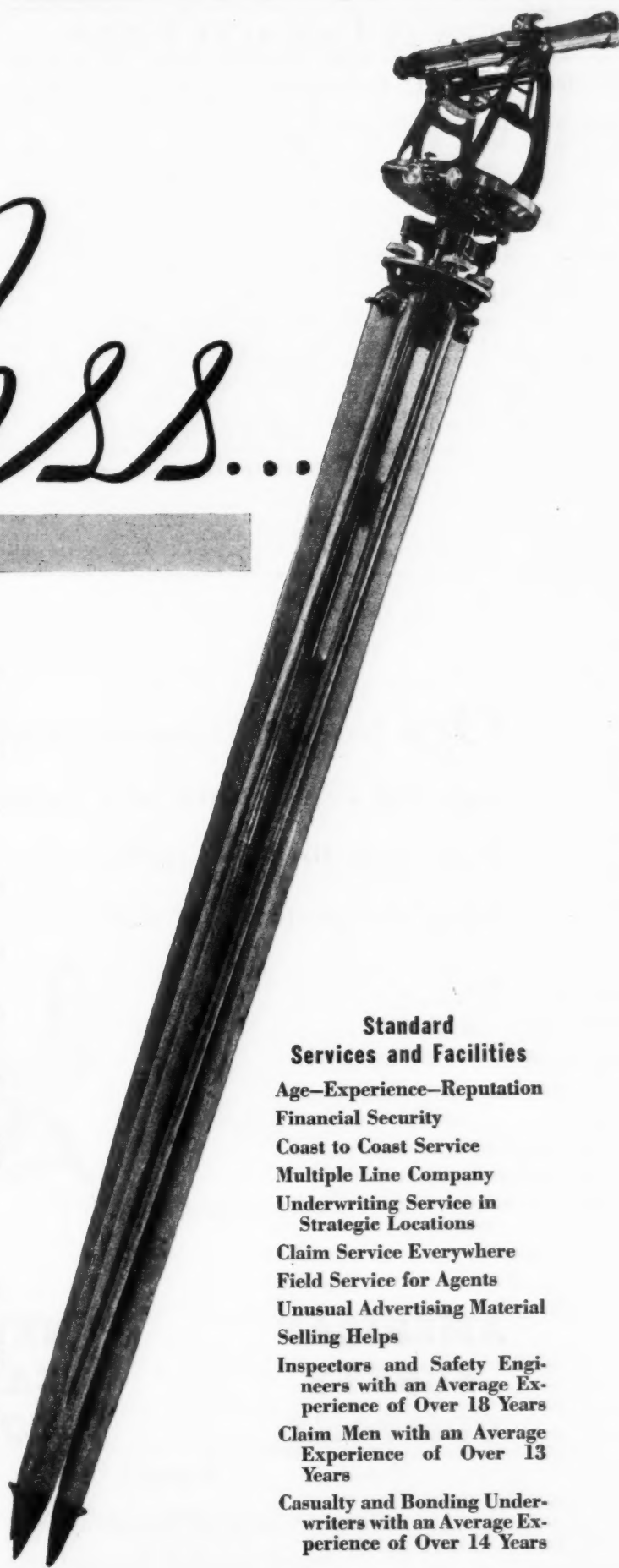
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a true foundation.

You too, with your knowledge of the insurance
business, may use the services and facilities
offered to agents and brokers by Standard of
Detroit, as tools in the laying of a better agency
foundation and upon it build a structure of
greater service to your insureds.

Place your business with Standard—an alert,
progressive Casualty Insurance and Bonding
Company and a staunch supporter of the
American Agency System.



**Standard
Services and Facilities**
Age—Experience—Reputation
Financial Security
Coast to Coast Service
Multiple Line Company
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Unusual Advertising Material
Selling Helps
Inspectors and Safety Engi-
neers with an Average Ex-
perience of Over 18 Years
Claim Men with an Average
Experience of Over 13
Years
Casualty and Bonding Under-
writers with an Average Ex-
perience of Over 14 Years

STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies

CHANGES IN CASUALTY FIELD

Will Head Contract Unit

E. Milton Smith Is Promoted by the Fidelity & Deposit of Maryland

BALTIMORE, Dec. 16.—E. Milton Smith, present associate manager of the agency department of the Fidelity & Deposit, has been appointed manager of the contract department. He served at one time as superintendent of one of the underwriting divisions of that department, and possesses a well-rounded surety experience, having been identified at one time or another with virtually every branch of the business during his 26 years with the F. & D.

With F. & D. Since 1910

Mr. Smith first became associated with the company in 1910 as a member of its accounting department and continued in that capacity until 1919 when he took a special training course covering every phase of the company's business. In 1920 he served as auditor and

adjuster in Atlanta. He returned to the home office the following year to become associated with the claim department.

During his eight years with that department, he studied law at the University of Maryland, graduating in 1924 and being admitted to the Maryland bar the same year. In 1928 he went to the contract department where he quickly rose to the position of superintendent of the central division. Two years later he was promoted to the managership of the public official department. During the last three years he has been identified with the company's agency department, first as assistant manager and more recently as associate manager.

Butterworth Named Special

F. I. Butterworth has been appointed Cook county, Ill., special agent by Resident Manager E. D. Loring of the American Automobile's branch office in Chicago. Mr. Butterworth, a Northwestern University graduate, for more than three years has been connected with

the Lumbermen's Mutual Casualty. The appointment rounds out field supervision in Mr. Loring's division, R. L. Clarke of Chicago for some time having been downstate Illinois special agent, and V. P. Coughlin the Iowa special operating out of Des Moines.

Aetna Makes Shifts in Surety Bond Department

The Aetna Casualty & Surety has made three changes in field personnel of its fidelity and surety department.

John Earl Craig, former superintendent of the department in Richmond, Va., has been appointed superintendent of the St. Louis department. Succeeding Mr. Craig at Richmond is Howard M. Caskey, formerly superintendent of the department in Providence. George W. Buck, bond special agent, Providence, has been elevated to the post left vacant by Mr. Caskey's transfer.

Mr. Craig entered the engineering department of the Norfolk & Western Railroad in 1925. From 1925 until 1927 he served as Florida resident engineer for the casualty firm of Parsons, Klapp, Brinkerhoff & Douglas. He joined the Aetna staff in 1927 as a field engineer in the contract bond department. He became special agent in the fidelity and

surety bond department at Atlanta in 1931. From this position he was advanced to the Richmond superintendency a year later.

Mr. Caskey was employed by Aetna in 1925, and entered the home office bond department. Posts in the New York and St. Paul offices followed until he became Providence superintendent in 1928.

Mr. Buck in 1926 entered special training at the home offices. Shortly thereafter he was assigned a post in the Boston office, from which he advanced to underwriter and then bond special agent there.

Office Moved to Harrisburg

The Central Pennsylvania office of the Maryland Casualty has been removed from Reading to Harrisburg, where quarters have been secured in the Union Trust building. The new location, President Silliman Evans states, will provide greater space and added facilities for assisting agents and servicing business in the territory. H. D. Hart continues as resident manager for the field.

Trout Named Special

The Michigan branch of the Employers Liability has appointed Paul J. Trout special agent to succeed Henry O. Ross, who has been transferred to New York territory. Mr. Trout has been in the field several years.

Tanner With Maryland Casualty

Charles R. Tanner has been named superintendent of the casualty department in the Cleveland branch office of the Maryland Casualty. He had served one company for 25 years although he is only 41 years old. He was born in Erie, Pa., and moved to Cleveland as a boy. He joined the W. G. Wilson office of the Aetna Life at an early age and went with T. J. Bosquette & Co. of Detroit, an Aetna agency, as manager of the casualty department in 1923.

Henderson Leaves Auto-Owners

Max M. Henderson, a special agent for the Auto-Owners, Lansing, Mich., automobile mutual, for the past two years, has resigned to go with the Emil G. Lambertson agency there. He has had a number of years' experience in the casualty field.

LaGuardia Again on War Path

NEW YORK, Dec. 16.—Mayor LaGuardia continues to fulminate against the casualty companies for their unwillingness to reduce forthwith and drastically, rates for automobile public liability insurance in this city.

Aside from the date, there is nothing in his latest outburst that differs from his publicity statement of last July, when every inquiry advanced was explained to him by representatives of the carriers and by officials of the department, which is the final authority under the law in determining proper charges for casualty insurance in the state.

Mayor LaGuardia continues to emphasize the reduced number of automobile accidents reported in the city under the safety campaign conducted by the police department. While naturally gratified with the results underwriters thought they had made sufficiently clear the fact that it is not the number of accidents that determine the cost of automobile public liability indemnity, but rather the amount the carriers are required to pay as the result of such happenings.

Also, as has also been explained to Mr. LaGuardia, rates are not predicated upon the loss experience of limited periods, but upon the combined results of the preceding five years. Thus the automobile public liability rates for 1937, soon to be issued, will reflect the loss experience for the years 1931-1935, both years inclusive.

A. D. Tobin, Sr., veteran local agent of Augusta, Ga., suffered a slight stroke of paralysis.

OUR heartiest Christmas Greetings and Best Wishes for a Happy New Year to every member of the insurance fraternity.



**AMERICAN
SURETY
COMPANY**

1884

Organized

**NEW YORK
CASUALTY
COMPANY**

1890

Home Offices: 100 Broadway, New York

Branch Offices in Principal Cities

Both Companies Write

Fidelity and Surety Bonds and Casualty Insurance

CASUALTY ASSOCIATION NEWS

Fringer Elected President of Baltimore Claim Group

BALTIMORE, Dec. 16.—J. H. Fringer, Jr., Lumbermen's Mutual Casualty, was elected president of the Baltimore Claim Men's Association at the annual meeting. Other officers are: J. Marshall Neal, Glens Falls Indemnity, vice-president; R. E. Jones, Baltimore Transit Company, secretary, and J. T. Hill, American Mutual Liability, treasurer. C. K. Johnston, Hartford Accident, and M. J. Morrison, Farm Bureau Mutual Automobile, were elected to the board of governors.

The fraudulent and unethical practice committee reported decided progress. Edwin J. Paige, Baltimore Transit Company, the retiring president, was presented a gladstone traveling bag.

Iverson Elected President

KANSAS CITY, Dec. 16.—C. J. Iverson, Aetna Casualty, has been elected president of the Kansas City Claim Men's Association to succeed C. O. Huber, Hartford Accident. Oscar Borgquist, Kansas City Public Service Company, was elected vice-president, and L. J. Plummer, Aetna, was made secretary.

The association gave a complimentary dinner to J. L. Williams, claim manager of the Fidelity & Casualty, who is sheriff-elect of Jackson county. Mr. Williams takes over his new duties in a few weeks. Mr. Williams was presented a gold sheriff's badge, engraved with a presentation message.

Discusses Sinking Fund

Ross Teckemeyer, secretary of the Indiana state sinking fund, talked to the Casualty & Surety Field Club of Indiana in Indianapolis. Several changes in the fund will probably be enacted by the incoming legislature, he said. The state banking department's experience with corporate sureties has been good, while personal and collateral bonds involved the state in considerable loss in connection with bank liquidations. The sinking fund act protects the state from loss on public funds deposited in banks that fail.

Seek Wyoming Rate Reduction

DENVER, Dec. 16.—A reduction in Wyoming casualty rates is hoped for shortly after the first of the year as a result of requests for such relief made by the Mountain States Casualty & Surety Association.

After a thorough investigation of the Wyoming situation, the Mountain States group recommended reductions to the National Bureau except in the territory around Casper. The association contends that the high claim ratio around Casper is due to the activities of a strictly local group of "ambulance chasers" and that the rest of the state is being penalized for bad experience here. A differential between Casper and the rest of the state is desired.

Larson Los Angeles Speaker

The Casualty & Surety Field Men's Association of Los Angeles held its dinner-meeting recently. C. L. Larson, state agent of the Royal, discussed mutual competition.

Maine Adjusters Meet

The Maine Casualty Adjusters Association has elected Lester E. Lohnes of Portland as president; Everard E. Hall, vice-president, and John R. Lafleur, secretary-treasurer.

San Antonio Claim Men Elect

The San Antonio Claim Men's Association has elected the following officers: Max Weir, United States Auto-

mobile Association Claim Service, president; Ewing Jones, U. S. F. & G., first vice-president; John Means, Gardner & Means Adjustment Co., second vice-president; and E. C. Schiffrers, Aetna Casualty, secretary-treasurer.

Addresses Dallas Claim Men

DALLAS, Dec. 16.—Dr. Paul C. Williams spoke before members of the Claim Men's Association, giving an

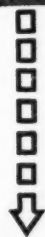
illustrated talk on pain in the lower back. The next meeting will be Jan. 8.

N. Y. Fraud Leaders Sentenced

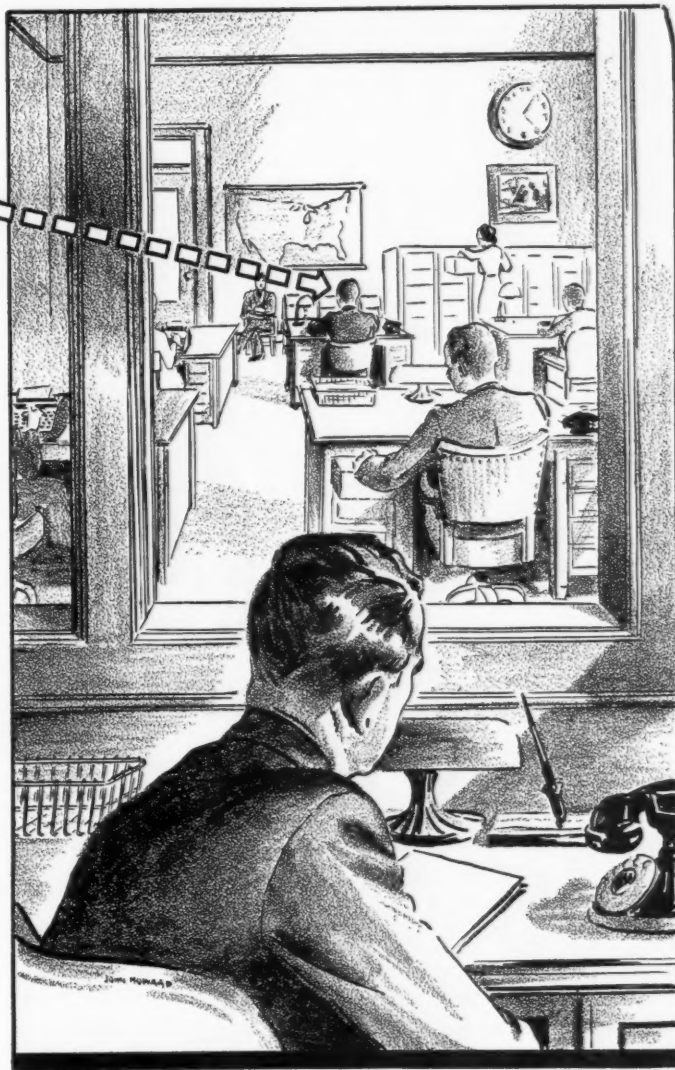
NEW YORK, Dec. 16.—Pleading guilty to a charge of attempted grand larceny, Jacob Hurwitz, an insurance broker of this city, and the leader of a ring reputed to have defrauded casualty companies of hundreds of thousands of dollars under fake automobile accident claims during the past five years, will be sentenced next month. Meantime he will assist Assistant District Attorney Botein in prosecuting those associated with him in framing accidents. Sam Bornstern,

head of another conspiracy gang, also pleaded guilty to collecting for fake accident claims, their specialty being injuries alleged to have been suffered on stairways and upon sidewalks. The activities of the two gangs now broken up, have been under scrutiny of the accident fraud bureau of the district attorney's office for some time, and the majority of the participants have either been sent to prison or are awaiting sentences.

Ford, Jones & Robins, Richmond, Va., local agency, a consolidation of the agencies of H. Linwood Ford and Ortega, Robins & Race, has moved into new offices on the second floor of its own building at 615 East Franklin street.



The X-Ray of INVESTIGATION SERVICE reveals the potential defaulter



Active, well-planned solicitation will prove that modern business institutions want thorough, impartial investigation of their employees, backed

by sound protection against dishonesty losses... You can profitably promote sincerity, integrity and security through the sale of Fidelity Insurance.

CENTRAL SURETY AND INSURANCE CORPORATION

KANSAS CITY, MISSOURI

DENNIS HUDSON, President

Capital \$1,000,000.00

Surplus \$1,027,078.80

Admitted Assets \$5,391,516.65

NEWS OF CASUALTY COMPANIES

Utilities Celebrate 25th Anniversary with Banquet

ST. LOUIS, Dec. 16.—The Utilities is celebrating its 25th anniversary this month. The silver jubilee celebration got under way with a banquet for 80 local employees and directors at which Lynton T. Block, president and founder of the company, was presented with a silver coffee set. Similar celebrations have also been held by the branch office organizations in Chicago, Denver and Oklahoma City.

Originally the company was known as the Utilities Indemnity Exchange and furnished insurance protection to various public utilities throughout the country. In 1932 the Utilities became a stock

company and in recent years has operated largely in the automobile casualty field.

Michigan Bars Policies of the Central Mutual

Some confusion exists as to the correct title of the two companies in Chicago bearing the name of Central Mutual. The old company, which was ordered to cease writing new business as of Dec. 1, is chartered as the Central Mutual of Chicago. The new company is the Central Mutual of Illinois.

The public utilities commission of Michigan has ruled that no truck line operator under its jurisdiction will be granted permits if it presents policies of

the Central Mutual. Action was taken following the action of the Illinois department prohibiting the company from writing new business.

BRINGS SUIT IN OHIO

COLUMBUS, O., Dec. 16.—The Central Mutual has sued the Ohio public utilities commission to enjoin it from enforcing an order requiring companies in Ohio to take out insurance in companies other than the Central Mutual. The petitioners have asked that the case be heard by three judges instead of one.

Aetna Life Disbursements

Extra dividends and extra compensation for employees have been declared by the Aetna Life and its affiliates. The companies will pay on Dec. 31 one-half of one month's salary to all active full-time employees on payrolls Oct. 1, on the basis of salaries in force Dec. 1. The bonus will affect approximately 6,500

employees throughout the United States.

The Aetna Life raised its regular quarterly dividend from 15 cents to 20 cents a share and voted 30 cents a share extra. The Aetna Casualty & Surety in addition to paying the regular quarterly dividend of 50 cents a share will pay \$1 extra. The Automobile of Hartford will pay 20 cents extra per share in addition to the regular 25 cents a share quarterly. All are payable Jan. 2 on stock of record Dec. 12.

Officially Starts Issuing Policies

The Accident & Casualty of Switzerland started writing business Monday from its New York City and Chicago branches. Manager Steff in New York City has not been able yet to open the metropolitan office at 111 John St., but he is stationed at the head office upstairs. Manager Eason is fully prepared to start operations in Chicago. He has appointed two general agents, Alexander Smullan, and Cloyd, Gielow & Dudley. Assistant U. S. Manager Ogden Davidson is in Chicago getting the machinery well started there.

The San Francisco office is well established and is ready to begin active operations. In fact, the Accident & Casualty is now prepared to write business in all states in which it is licensed. Dr. Paul Thorin of the head office, who has been in this country for seven months, assisting in establishing the United States department, will leave for home early next month.

The Accident & Casualty will make a special drive for automobile business. Being non-conference, it will give preferential occupational rates for desirable risks.

Charter Asheville Bonding

A North Carolina charter has been granted to the Asheville Bonding Company of Asheville. There has been \$20,000 of the authorized capital of \$100,000 subscribed by C. C. Willis, J. W. Bennett and C. L. Williams.

Two Become Directors

R. G. Emerson and H. S. Landers have been elected to the board of the First Reinsurance of Hartford. Mr. Emerson is vice-president of the First National Bank of Boston and Mr. Landers is president of the Commercial Casualty.

Will Pay Dividend

The General Reinsurance has declared a dividend of 50 cents per share on the capital stock, payable Dec. 30 to stockholders of record Dec. 23.

Special for Seaboard

A special dividend of 25 cents will be paid by the Seaboard Surety of New York City Dec. 30 to stock of record Dec. 21.

Los Angeles Hospital Is Host

LOS ANGELES, Dec. 16.—A large number of southern California industrial surgeons attended the annual dinner given by the Golden State Hospital in Los Angeles. Members of the industrial commission, executives and representatives of casualty companies also attended. F. Clark Thomas, Hartford Accident, president Casualty Insurance Adjusters Association, was a speaker. Papers were read by prominent surgeons and several of the insurance executives present spoke briefly.

Can Insure State Employees

Attorney General Carmichael of Alabama has upheld constitutionality of statutes authorizing specified state departments and political subdivisions to use public funds to pay premiums for insurance covering injuries sustained by employees in line of duty.

Logan, O., is being rerated by the Ohio Inspection Bureau.

Additional Late Casualty Insurance News on Page 15

THE SIGN OF GOOD CASUALTY INSURANCE



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burglary
credit
elevator
engine
liability
machinery
plate glass
compensation
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health—
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U. S. BRANCH, 55 FIFTH AVENUE, NEW YORK, N. Y.

Disease Control Methods Reviewed

(CONTINUED FROM PAGE 37)

provide periodic analytical reports to the medical division which on the basis of this information can provide the proper examinations.

Physical examinations, to be of value in selecting employees, must include, in addition to the usual clinical examination, complete urine analysis, complete blood count, a blood test for venereal diseases and a chest x-ray. It is impossible to safely place applicants in any occupation where there are lung irritants without a chest x-ray. Ordinary stethoscopic examination falls so far short of its objective as to be almost useless.

Periodic Examinations Needed

It is the duty of industry to take all necessary precautions to keep these employees from contracting occupational diseases. Due to mechanical preventive measures being admittedly not perfect, it becomes essential to provide medical protection in the form of periodic physical examinations which will detect symptoms of early absorption, thereby making it possible to remove effected workers before they have reached the stage of acute or chronic illness. Periodic examinations must be of a specialized type, designed upon knowledge of the toxicology of the compounds employed and the symptoms to be expected following the absorption of these compounds.

Joseph Futz Blossoms Out in the Realm of Poetry

(CONTINUED FROM PAGE 37)

Mr. Futz possessed ability of this high character and noble form.

On the last page is a picture of Santa Claus driving reindeers hitched to a sleigh.

The printing was done by Master Willie Krueger on his little press that was given to him as a birthday present and which he denominates "The Eighty-Four Streamlined Press." The original poem by Joseph Futz reads:

A MESSAGE FROM JOE FUTZ

I send this Christmas greeting
To all my friends and pals,
Relations and acquaintances—
Men, women, boys and gals.
Joe Futz is happy at this time
And so he's making up this rime.
He wants you to be conscious of Joe Futz,
The agent who has got the guts
To do the work and write the biz,
Irregardless of what the risk is.
If you've got anything
That needs to be protected
And it's something that's so tough
To write that it has been rejected
By every agent in the town,
Just come to old Joe Futz,
He will cover it right away for you;
With no ifs, ands, or buts.
So don't do a thing on insurance
Until you get quotations from Joe,
Which will make you feel
So pleased with the deal
You will want to shout yo ho ho!
Oh, Christmas time it is the nuts,
So please be happy with Joe Futz.

New Move Made to Prevent Adjusters "Practicing Law"

LINCOLN, NEB., Dec. 16.—As a part of his campaign for restricting the practice of law to those licensed to do so, Attorney General Wright has started to investigate the activities of claim adjusters with the announced object in mind of putting out of business those "who talk persons out of worthwhile claims," by advising them as to their legal rights or lack of them or drawing instruments for the liquidation of accounts. This probe will include lawyers who are claim adjusters as well, and who must not, under the code of ethics that has the force of

law, advise persons with whom they are dealing as to their legal rights and liabilities when not employed by them as attorneys.

ADJUSTER MUST BE ATTORNEY

BIRMINGHAM, ALA., Dec. 16.—Only a lawyer can be an insurance adjuster in Alabama, according to a ruling by Attorney-General A. A. Carmichael. The opinion was rendered at the request of the licenses commissioner of

Jefferson county, who pointed out that the state requires a \$25 license of insurance adjusters.

This ruling comes as an aftermath but is not directly connected with a case filed against J. L. Wilkey, prominent Birmingham independent adjuster, accused of practicing law without license. He refused to appear before a commission appointed by the court to try him, claiming it unconstitutional, and was fined \$5 for contempt of court. He has an

appeal pending in the supreme court.

Should the attorney general's opinion stand it would mean that insurance adjusters would either have to stand a bar examination or else handle claims at least nominally through a licensed lawyer.

Charles Weller, South Dakota state agent of the Sun, is an aspirant for the office of insurance commissioner in South Dakota.



NATIONAL SURETY TOWN ... A Very Real City

It has been suggested that National Surety Town is not real. Certainly it is not real as beautiful Rockefeller Center is real:—steel—brick—cement.

But it is as real as thought—as real as security—as real as the protection of National Surety fidelity bonds to a country-wide group of business men and women who equal with their dependents the combined

population of Philadelphia and Chicago. Yes, National Surety Town is a very real city whose residents are protected against the very real dangers in unpredictable human nature.

National Surety representatives everywhere—themselves picked men—are selling fidelity bonds and blanket bonds; plus protection against burglary, forgery, and many other dangers.

NATIONAL SURETY CORPORATION
VINCENT CULLEN, PRESIDENT
New York

© National Surety Corporation, 1936

FIDELITY AND SURETY NEWS

To Stress Public Relations

Members Desire Bureau of Contract Information to Introduce New Emphasis in Its Work

At the meeting in New York of the Bureau of Contract Information, decision was reached to have the organization place more emphasis upon public relations work than upon the reporting service. All of the members renewed their subscriptions for another year and it was voted to request the Surety Association of America to give additional financial help.

The members want the organization to help the surety companies get a more favorable reception from the various awarding bodies. They also want the organization to present the case for the surety companies when and if adverse legislation is proposed. There has been agitation in some states, notably New York, for legislation dispensing with the requirements that a contract bond be given in connection with public projects.

Heretofore the principal service of the bureau has been to make reports of the experience and performance of contractors. Some of the members felt that this work was to some extent duplicated by other agencies and that greater emphasis should be placed upon public relations work.

Samuel M. Williams of Washington,

D. C., who is head of the bureau, presided. The committee that formerly acted in an advisory capacity has been disbanded and instead 13 directors were named. Hereafter, the directors will hold quarterly meetings.

Divide Colorado Treasurer's Bond

DENVER, Dec. 16.—For the first time, the state treasurer's bond was written this year in 10 companies, with the Standard Accident as the originating company in the group used. The bond was also written more quickly this year than ever before, being committed before the nomination of the treasurer-elect, Homer F. Bedford, who will take office Jan. 12.

Each of the 10 companies carried \$100,000 on one bond, the \$1,000,000 bond posted as state treasurer and \$25,000 on the \$250,000 bond as ex-officio custodian of the workmen's compensation fund. After Treasurer-elect Bedford had posted these two bonds, he learned that as custodian of the unemployment insurance fund under the social security act, a new duty of the state treasurer, he will have to post another bond of at least \$250,000, the exact amount to be decided later by the industrial commission. Hal Van Gilder, Denver local agent, wrote the first two bonds.

Expect Nebraska Decision

LINCOLN, NEB., Dec. 16.—Governor Cochran anticipates a decision of the Nebraska supreme court on the state monopoly bond bill before the legislature meets. The governor has indicated that if it is adverse to the state he will seek reenactment in a legal form. If he stands by his declaration in the election campaign he will ask submission of a constitutional amendment if one is necessary to enable the state to enter the business. At the court hearing attorneys for the bonding companies insisted that the creation of a revolving fund appropriation is lending the state's credit. If it is held that it is not, it follows that the state, having no money to pay losses, public officers will not give bond although required to do so by the state constitution.

Treasurer's Employees Not Bonded

LINCOLN, NEB., Dec. 16.—State Treasurer Hall has informed the state budget director that unless the state appropriates money to pay bond premiums for subordinates in his office required by law to be bonded, they will

give no bonds. He said for the past two years he has not required bonds from them because there was no money to pay premiums and their salaries were so low that he would not ask them to pay the premiums themselves. The disregarded provision was one of those insisted upon by the bonding companies two years ago as one of the conditions for writing the treasurer's new bond.

Prepares "Blue Sky" Form

KANSAS CITY, Dec. 16.—Baxter Brown, resident vice-president Fidelity & Deposit, has prepared a form for surety men to be used when they renew their "blue sky bonds" in Missouri. Regulations have been changed to limit their liability. The proposition was brought up at the last meeting of the Kansas City Casualty & Surety Underwriters Association.

Big Oregon Capitol Bond

A labor performance and material bond for \$2,006,137 covering the new Oregon capitol building in Salem, has been executed with the Fidelity & Deposit as the originating company.

PERSONALS

The Accident & Casualty of Switzerland arranged this year to send over to United States headquarters a large shipment of calendars. Each month depicted a typical Swiss scene. The original work was done by well known painters. The shipment was made on the French liner "Champlain." The dock hands at New York City refused to unload the cargo, owing to the attitude of French longshoremen in declining to unload United States boats. Therefore, the calendars went back on the "Champlain," but they are now returning to New York on the same boat where peace has been declared and Manager Neal Bassett will eventually receive them, the only inconvenience being the delay in getting them out.

C. Eugene Pettibone, vice-president and manager engineering department American Mutual Liability, has been named vice-chairman and counsel of the American Standards Association. He has been active in the organization since 1929 as a member of the safety code correlating committee. He is also a director.

Ralph Platts, vice-president of the Standard Accident, is on a lengthy trip through the west contacting branch offices and general agents of the company. Among the cities he will visit are Chicago, Kansas City and Denver.

Superintendent L. H. Pink was among the speakers at the dinner tendered Harry Strongin, president Consolidated Taxpayers Mutual, and chairman of a division of the United Palestine Appeal, in Brooklyn.

Employees of the Bankers Indemnity and American of Newark will deliver 65 baskets of food to needy families the day before Christmas. The annual Christmas observance of the employees will be held in the home office audi-

torium of the American building in Newark on Dec. 24. The company has decided to extend the Christmas and New Year's holidays by remaining closed on the Saturdays following the holidays. A skeleton force will be on duty.

B. H. Gross, secretary-treasurer of the Great Western of Des Moines, has been elected president of the Des Moines Lions Club.

COMPENSATION

Would Transfer Control

OKLAHOMA CITY, Dec. 16.—Transfer of the state insurance fund from control and administration by the state industrial commission to the state tax commission is sought in a bill introduced by Representative Traw. The proposed law provides that "said fund shall after a reasonable time, during which it may establish a business, be fairly competitive with other insurance carriers, and it is the intent of the legislature that said fund shall ultimately become neither more nor less than self-supporting."

Convict Gets Compensation

According to a ruling by the Virginia industrial commission, a convict is not barred from receiving workmen's compensation payments because he is a ward of the state. The commission ordered the United States Casualty to pay \$9.63 a week to a prisoner serving 12 years on a bank robbery conviction. Assured was injured almost two years ago in a truck accident before he was committed to the penitentiary.

After accepting a lump settlement, he applied in October, 1936, for additional compensation on the ground his injuries were more serious than he first thought. The carrier fought the claim, asserting assured was not entitled to compensation because he is a ward of the state.

Inhalation Called "Accident"

The decree of the Massachusetts industrial accident board declaring inhalation of dust to be an "accident" of employment, has been upheld by the state supreme court. The case was that of Joseph Winkowski, who died of emphysema, which was declared to have been caused by inhaling dust in the atmosphere of his employer's place of business where he worked as a wire drawer for 13 years.

N. Y. City Accidents Decrease

NEW YORK, Dec. 16.—In the first 11 months of the year 769 persons were killed and 29,760 injured in traffic accidents in this city, according to police records. This is a decrease in deaths of 170 and of 2,928 in accidents. Crossing streets against lights continued to be the most frequent cause of accident. As a remedial measure the police department several weeks ago caused a speeding up of light changes.

E. T. Opp, Columbus, O., has been appointed an adjuster in the claim department of the Buckeye Union Casualty and will work out of the company's home office there. He has 10 years' experience in claim work.

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Embezzler Is Ordinary Man, With No Criminal Traits

(CONTINUED FROM PAGE 38)

average. The average of the women proved to be slightly over 33 years. The youngest was 21 and the oldest 53 years.

The average salary was \$175 a month for the men. The earnings of the women averaged \$115 a month. Notwithstanding that all were trusted and held positions of greater or less responsibility, supervision was exercised by most of the employers. In 91 percent of the cases, the money or property for which they were responsible was checked at regular intervals.

In many cases the period of embezzlement was a few months. Others extended over a period of years, the average being two and one-half years. In a number of instances large sums of money were taken in the brief period of a few weeks. The investigation showed a class of cases where a brief period of embezzlement was followed by several years during which no money was taken. In these, the embezzlers, during the later period, attempted to keep their shortages covered up, and tried vainly to replace the money.

The study reveals that for the most part the 1,001 were old and trusted employees. The length of service of the men was close to six years. As an average, the women had been employed for seven years. Fifty-four percent of the men had been employed by the concern which suffered the loss for 10 years or more. One man had served nearly a half century, and one woman for 23 years.

Represent Many Occupations

Every class of occupation is represented among the 1,001 embezzlers—the list includes employees of every degree of importance—from a warehouse watchman to a president. Many handled the cash of their employers, while a surprisingly large number handled no money, being in positions where possibility of embezzlement would seem remote. Some of the embezzlers were among thousands of other employees in their organizations. Others represented the entire office force. The men were engaged almost equally in outside and inside positions. The women, with one exception, were employed inside.

The records show collusion was present in not much more than 10 percent of the cases. Collusion was a factor nearly twice as often, percentage-wise, where women did the embezzling as where men were the embezzlers. Often when women did the embezzling others appeared to benefit from the spoils, that is to say, the money was spent for the benefit of, or lent to another, or entrusted to some one else for various purposes.

Few Absconders

The number of those absconding was small, a little more than 2 percent. Twenty-two men and two women disappeared before or at the time their peculations were discovered. Rarely did the employee have the idea of absconding in mind when he first took money. More committed suicide than absconded. Twenty-eight men and two women committed suicide before or at the time their shortages were disclosed. In addition, there were five cases of sudden death, where a verdict of suicide was not given by the coroner. In 20 other cases, shortages were not discovered until the employee had died from apparently natural causes. In almost as many more, employees who were short in their accounts came voluntarily to their employers and confessed.

A study of the causes shows that living above their means or accumulated debts account for nearly a third of the total; sickness of members of the family about 6 percent; because of being poor business managers, nearly 14 per-

cent. Speculation, gambling and drink was found to be responsible in some 26 percent of the cases. Women and domestic trouble accounted for about 11 percent. The operation of another business, mental irresponsibility are among other causes. Less than 5 percent of the cases showed established criminal character to have been the cause of embezzlement.

There were several contributing causes, such as gambling, drink and women which entered into the same case in many instances, but in such cases the principal one as ascribed by the investigator was used. Detailed confessions, of which there were many, were not relied upon in designating motives because it was recognized that the embezzler in his confession will put the best possible face on his case and will stress the least reprehensible phases of it.

During the course of this study, a number of typical situations were found to exist. One such is where an emergency creates an urgent need for the money. This plus the opportunity to embezzle proves irresistible. Another is based on debts which, through misfortune, carelessness or perhaps petty gambling, have been permitted to accumulate and the employee "borrows" his employer's money "until his luck changes."

A third situation is created by the more ambitious who think they see an opportunity to make money by speculation, or by starting a business of their own—using their employer's money as capital. Still another is that where the employee contracts the habit of living beyond his means or acquires tastes which his salary does not permit. He then attempts to pay for his expensive tastes and habits on the instalment plan—using his employer as the financing agency.

Conclusions From Study

The study shows that most of these men and women, up to the time their embezzling began, lived normally and honestly. They had clean records in previous employment, as the investigations made before they were put under bond attest. They had ability. In their previous positions, they were subjected to temptation (assuming that every employee at some time is tempted) and resisted it.

They lived among and worked with honest people. They were regarded as honest by those around them, and their employers had no reason to mistrust them. They followed these habits of normal living and honesty well into middle life on the average. They married and supported their wives and children by honest work.

The study points out that these people are not of the criminal type. The typical criminal is an unattached and roving individual, and apt to be feeble-minded or pathological. His habits differ radically from the habits of these embezzlers. As a rule he doesn't associate with honest companions. He does not acquire the habit of living by honest means. He does not marry. And marital status is an important point in differentiating the typically criminal part of our population, for prison records show that those who are married are in the minority. When in prison, too, the difference between the embezzler and the typical criminal has been widely commented upon. Embezzlers are model prisoners and are despised by professional criminals. Embezzlers do not usually become recidivists as do ordinary criminals.

They Are Not "Stealing"

It seems fair to conclude from the facts assembled that men and women employees, up to the point where they "dip into the till," are honest. They do not consider that they are stealing. They do not take with the idea of ultimately absconding. Rather, they feel that they are borrowing, and intend to pay it back. When they take the money, they have a real or fancied need. While

some criminal persons appear among the 1,001 cases studied, their surprisingly small number only emphasizes the fact that the majority are, to begin with, ordinary people commonly classed as honest.

At the same time, there is in the character of the typical embezzler, a weakness which prevents him from standing up under temptations and difficulties which others seem successful in overcoming. The table of causes shows that for the most part they are merely those things which go to make up the ordinary hazards of living. These people failed while contending with the ordinary hazards of life such as all have to face to a greater or less degree.

The fact that the average age of the embezzlers was in the mid-30s might support the contention that these people failed at that period when the difficulties of living are greatest. Again, it might be used as a basis for the view that the world war had something to do with the men going wrong, inasmuch as it places them at an age which indicates many may have had war service.

If any one thing may be said which would apply to the greatest number of these people, it is that in one manner or another, they lived beyond their means and that in a very large number of cases, it would only have been necessary for them to have been more careful in this respect to have avoided trouble.

Outlines Symptoms and Effect of Pleural Diseases

Dr. Paul Dick, x-ray technician, gave an illustrated lecture at the December meeting of the Chicago Claim Association. He outlined causes and symptoms of lung diseases, including silicosis and other ailments of that nature.

In going over each disease, he illustrated the important points by means of lantern slides of x-ray photographs. He outlined the development of lobar and bronchial pneumonia and stressed the rapidity with which those diseases work. He especially emphasized the importance of the x-ray as an aid in the diagnosis of tuberculosis, which he pointed out is very important to insurance people.

He said that frequently a victim of the disease betrays no symptoms whatsoever and may become fairly far advanced before it is known unless he is x-rayed. He also pointed out that even an analysis of the sputum did not show positive reaction until very late in the course of the disease.

He outlined development and treatment of tuberculosis, including the various methods of lung collapse. He said that thoracoplastic operations have shown a large decline in fatality incidence. At first the percentage of deaths was 80 and it is now down to around 40.

In outlining the effect of silicosis he said the disease does not kill in itself, but develops a superimposed infection which leads to tuberculosis through poor resistance. He added there have been cases of silicosis showing up as early as three months after the subject went to work where he was exposed, but it usually takes much longer, some times six or seven years. He also pointed out that silicosis is merely one of a number of diseases that are caused by inhalation of dust. He showed how the body naturally tries to resist the disease.

Other ailments that may attack the plural cavities were also taken up, including those caused by tumors and by syphilis.

Dr. Dick's discussion replaced that of Dr. Josiah Moore, who was prevented from attending because of the death of his mother. T. W. Hislop, Great Northern Life, president, presided.

John Dvorak, Clutier, Ia., is retiring as secretary of the Bohemian Mutual of Tama County, after serving more than 21 years.

Making a Record



JOE A. FRATES, JR.

Joe A. Frates, Jr., is making quite a record as president of the National Mutual Casualty of Tulsa, Okla. This company was organized a little more than a year ago as the National Drillers Contractors Mutual Casualty. Its title was changed to the National Mutual Casualty early this year. Its premiums this year will amount to about a quarter of a million dollars and the management expects at least to double that record next year.

Mr. Frates, in his business building, is capitalizing on the home state appeal. He states that the success of the company proves that there is a demand for a "strong, local, home-owned company." Mr. Frates has engaged in radio, newspaper and bill board advertising. He has been sponsoring a magazine known as "Safety Mutual News," dealing with safety and insurance subjects. The company was organized primarily to handle compensation business, but also handles any form of casualty or liability cover. Each week the personnel attends meetings at which lectures are delivered by President Frates.

When a law was enacted in Oklahoma so that compensation included any employer of more than one person in hazardous employment, Mr. Frates concluded that a local company could best cope with this situation. Accordingly, the National Mutual Casualty was organized with prominent Oklahomans on the board. They are, in addition to Mr. Frates, W. G. Hartley, vice-president, who is a well known field insurance executive; J. W. Sloan, president Oklahoma Iron Works; Jay P. Walker, president National Tank Company, and T. A. L. Bowen, president Bowen Rig Company, all of Tulsa. Everett Petry is secretary.

The company, in its literature, advertises that it is the fastest growing insurance organization in the southwest.

Mr. Frates served as president of the Oklahoma Association of Insurers in 1933.

The National Mutual Casualty, which has now been licensed in Texas, has established a general agency, operating as the Ripley-Frutes Co., at 106½ West Jefferson avenue, Dallas.

Bowen Committee Studying Group Accident and Health

(CONTINUED FROM PAGE 37)

hazards, with corresponding ratios of indemnities; maximum indemnity not to exceed 75 percent of average weekly earnings, definition of disability and provision for termination of insurance, together with the regular standard provisions.

Read "Selling Disability Insurance," \$1.50. Order from National Underwriter.

ACCIDENT AND HEALTH

Shows High Cost of Accidents

Wiglesworth Presents Picture of Accident Hazard and Importance of Protecting Earning Power

People do not like to be told, they like to be shown, said Frank Wiglesworth, manager of the Travelers' accident department in Cincinnati, in a sales demonstration on accident and health



FRANK WIGLESWORTH

before a Cincinnati solicitors meeting sponsored by the Cincinnati Fire Underwriters Association. H. R. Whiteside, manager accident and health department Earls-Blain agency, Cincinnati, was Mr. Wiglesworth's prospect. Mr. Wiglesworth placed on the blackboard in Chinese characters the saying of Confucius that a picture will tell a story at a glance that cannot be told in 10,000 words. Last year automobiles caused the deaths of 36,000 persons and injured 1,000,000 people, Mr. Wiglesworth said. There were 360,000 permanently disabled. In Cincinnati alone during the past five years the economic loss through injuries and deaths caused by automobiles has been estimated at \$10,000,000.

Capitalized at \$100,000

Mr. Wiglesworth showed that a \$5,000 annual income may be assumed to have a capitalization of \$100,000. He used a drawing showing a pyramid of blocks, the bottom block representing earning power, the foundation on which rested the home, automobile, and other economic ambitions, to show the necessity of protecting income.

Almost any minor accident is likely to cost around \$1,000. For example, an ambulance costs \$15, four x-rays at \$7.50 each, \$30, operating room \$15, anaesthetic \$25 and six weeks' hospital and doctor bills the balance. Mr. Wiglesworth said that his policy would pay up to \$1,000 medical and hospital expenses in the event of a personal injury, \$50 weekly if disabled, for life, and \$5,000 in the event of death. There are no restrictions as to where the accident occurs. The coverage may be obtained for only \$1 a week.

Stage Christmas Party

NEW YORK, Dec. 16.—The Accident & Health Club closed its year with its annual Christmas party. Radio and stage stars offered entertainment. The educational committee is planning a lecture series next year which will culminate in National Accident & Health Week, April 26-30.

The Michigan department has licensed the **Workmen's Sick & Death Benefit Fund** of Brooklyn.

Managers in Annual Meeting

Mutual Benefit Health & Accident Men Assemble for Conference at Home Office—to Form Organization

A meeting of managers of the Mutual Benefit Health & Accident and United Benefit Life from all parts of the country will be held at the home office in Omaha, Dec. 17-19, with business sessions at the Fontenelle Hotel. On the initiative of the managers themselves, similar meetings have been held for two or three years on an informal basis, but it is planned to effect a formal organization at this meeting. Nearly 70 managers are expected to attend, paying all their own expenses. The program includes an especially comprehensive survey of managerial problems from various angles.

E. S. Hall of Los Angeles, general chairman, will call the meeting to order and after Dr. C. C. Criss, president, extends greetings from the home office, the first session will take up the problem of "How to Get and Train New Salesmen," with H. K. Coffey of Portland, manager for Oregon and Washington, as chairman. That subject will be considered under five divisions: (1) Personal contacts; (2) contacts through old salesmen; (3) advertising; (4) how to sell the job; (5) what to do to new salesmen, with several sub-topics under each division.

Bert Clifton of Wichita, Kansas manager, will be in charge of the discussion of "Problems Peculiar to Rural or Compact Territories." Sub-topics to be considered are: (a) Part-time salesmen, (b) best source of new salesmen, (c) does advertising pay? (d) advantage of personal contact work, (e) writing life insurance through accident and health policyholders.

Ernest Hundahl of Dallas, southwestern manager, will be chairman of the session for managers of large or metropolitan territories. Problems peculiar to that type of territory which will be considered include: (a) Brokers, (b) full-time salesmen, (c) how and where to get new and better salesmen, (d) what type of advertising gets best results, (e) how to develop life salesmen.

In the discussion of "Business-Getting Plans," E. B. Brink of Detroit will be chairman. Topics considered will be: (1) Agency meetings, (2) contests, (3) personal contacts, (4) contact through mail, (5) assisting the salesmen to make more money, with several sub-topics under each division.

Friday's session will be devoted to "New Ammunition for 1937," with John McGurk of Indianapolis as chairman, outlining new policy and rate book information, and "Radio Broadcasting" with C. T. Redfield of Chicago as chairman, including discussion of mechanics of the plan, how salesmen can use it, and use in agency recruiting. Saturday morning will be devoted to home office conferences and Saturday afternoon to a discussion of plans for 1937, with Gus Heuertz, Memphis, as chairman. A home office luncheon will be held Thursday, an agency department luncheon Friday and the president's banquet Friday evening with John McGurk as toastmaster.

Lumbermen's Mutual Issues New Reimbursement Policy

The new "universal" accident policy issued by the Lumbermen's Mutual Casualty of Chicago is a medical reimbursement form specifically declaring in the contract that insured shall not be subject to assessment. It has principal sum for loss of life, capital sum for dismemberment, double indemnity and provides specified benefits for 23 scheduled operations. The reimbursement

provision indemnifies for medical, hospital or nurse expenses incurred within 26 weeks from date of injury. There is no provision for weekly indemnity.

Premium for \$1,000 principal sum, \$5,000 capital sum and \$500 reimbursement for men in class A is \$16.70 and for women \$16. Without principal sum, the premium for both men and women in this class is \$15.

All accident policies issued by this company now are non-assessable. The "century" and "standard" accident policies and "premier" automobile accident policy, heretofore written by the Lumbermen's Mutual with assessment provision, are now issued with a non-assessable endorsement.

Benefit from Social Security

Public More Receptive Toward Income Protection Due to Federal Program, Says W. G. Curtis

DETROIT, Dec. 16.—The federal social security program has had no serious unfavorable effect on the casualty insurance business but on the contrary has tended to make the public more security minded and therefore more receptive to income protection, W. G. Curtis, president of the National Casualty, told the Detroit Accident & Health Association at its December meeting.

The glowing picture of the benefits of the social security program that has been painted by federal officials has made people think about their social security before age 65 as well as after it, Mr. Curtis said. This trend of thought is, of course, most fortunate for the accident and health insurance business. The program itself has not cut down accident and health insurance because persons of 65 years or older are uninsurable anyway.

Plans were made at the meeting for the annual stag party Dec. 29.

L'Estrange at Michigan Meeting

A regional meeting for Michigan agents of the Wisconsin National Life was held in Lansing, with about 25 agents from all parts of the state in attendance. M. S. Kirkpatrick of Grand Rapids, supervisor of agents for Michigan, opened the meeting and introduced G. A. L'Estrange, manager of the accident and health department at the home office, who outlined some new policy forms recently issued by the accident and health department and the possibility for agents in developing business in that department, and told something of the company's program for 1937.

A fine volume of both accident and health and life business was presented by the agents in attendance to Mr. L'Estrange for transmission to the home office. The business session was followed by a dinner, after which Mr. Kirkpatrick and Mr. L'Estrange both spoke briefly.

Holdren to Home Office

Floyd Holdren, who has been for some time agency supervisor in the Detroit branch of the Mutual Benefit Health & Accident and United Benefit Life, assisting Manager Earl B. Brink, has been called to the home office agency department of those companies as assistant to D. M. Brovan, superintendent of agents. Mr. Holdren was with Manager Brink when the latter was in Arizona and later joined him in Detroit after his transfer there. A farewell dinner party was given to him, with 52 members of the agency attending.

"Unknown" Company Would Liquidate

LANSING, MICH., Dec. 14.—Michigan department officials were amused to receive a request for advice relative to liquidation procedure from an "insurance company" in this state of which they had never heard.

The company, the Peninsular Employers Sickness & Accident Insurance Company of Ypsilanti, has been paying

Los Angeles Concern Now Offers Chance of Lifetime

An organization that apparently operates along the lines that were devised by the Associated Adjusters of Milwaukee is the National Claims & Investigating Association, Chester Williams building, Los Angeles, Dwight Selby, president.

This concern advertises for men who are looking for a position with a future. Those who respond are told that by becoming a member of National Claims & Investigating Association, they can learn to become adjusters and investigators and having become experts, will receive loss assignments from the association. The members would be paid \$1 an hour.

National Claims & Investigating Association is considerably more ambitious than Associated Adjusters. For their services, they want \$37.50. Thereafter, the member must pay \$2 a month "as a contribution to the cost of advertising the business." In a letter to those who respond, Selby states that if the applicant will do what other men "with average education are doing, you can earn from \$50 per week up." In addition, the member is required to remit 5 percent of his monthly earnings "for administrative office expense."

"Once in a lifetime," the concern's literature states, "a valuable opportunity sweeps across the horizon and fortunes are made for those who seize that opportunity."

Greater Demand Is Seen

"In the past 10 years nearly 300,000 persons have been killed in automobile accidents. During the year 1934, 36,000 persons were killed and 954,000 were injured in the 882,000 accidents reported to the police.

"Every one of the accidents must be investigated by some insurance company and every accident involves from one to five separate kinds of insurance on every car involved in the accident.

"You can immediately see the demand for competent adjusters is far in excess of the available ones. This is occasioned by the ever increasing number of accidents, causing loss, together with the fact that until recently it has been impossible for anyone to become a successful adjuster without serving many years of apprenticeship with some large insurance company.

"By conscientiously following our instructions and advice you can become a competent and qualified adjuster in an extremely short time.

"Many independent adjusters make up to \$10,000 a year. Also on account of the shortage of qualified adjusters, many independent adjusters secure positions with insurance companies where incomes from \$5,000 to \$10,000 are not uncommon.

"We offer you an opportunity to become a member of a real profession and to make real money, which is surely worth your while!"

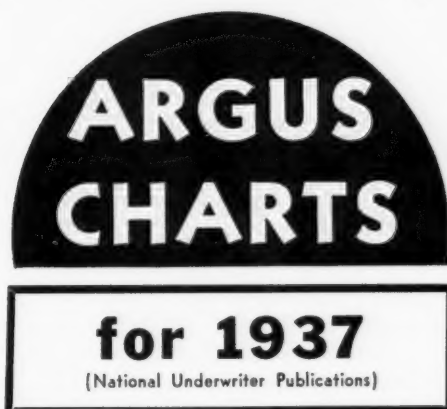
benefits since its organization in 1906 but now wishes to disburse a \$10,000 balance and discontinue business. It was apparently organized under one of the non-profit corporation acts. Such concerns are under jurisdiction of the department of state rather than insurance department if the benefits they pay are under a stated minimum.

Michael Fleischer has been appointed field superintendent of the Columbus, O. agency of the Washington National.

Pave the Way—An accident policy sale is the easiest way to get acquainted with your prospect and pave the way for other lines. For suggestions that sell read *The Accident & Health Review*, A-1946 Insurance Exchange, Chicago. Sample 10c.

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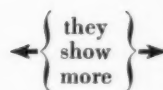
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A large special section on Accident and Health Companies is included in the Casualty Chart at no extra cost.

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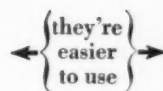
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